



Leicester
City Council

WARDS AFFECTED
All Wards

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

OSMB
Cabinet

24th September 2009
5th October 2009

WORKING NEIGHBOURHOOD FUND AND RELATED ECONOMIC REGENERATION PROGRAMMES

Report of the Director of Planning and Economic Development

1. PURPOSE OF REPORT

1.1 This report:

- Outlines the current position on Working Neighbourhood Funding
- Articulates a clear strategy on how WNF links to other initiatives /funding to produce a coherent vision to tackle worklessness in the city
- Describes the criteria for allocating funding and applies this to currently identified projects
- Sets out how projects will be performance managed and evaluated for maximum impact

2. RECOMMENDATIONS

Cabinet is requested to:-

- Approve the Commissioning Framework approach outlined in the report and attached as Annex 1.
- Comment on the proposed governance structure arrangements as described in paragraphs 4.24 to 4.27 of the main report and section 6 of Annex 1.
- Approve the recommended WNF/ERDF project portfolio, identified as Categories A & B in Annex 3.
- Approve the recommendations not to proceed with projects identified as Category C as detailed in Annex 3.
- Approve the scheme of evaluation outlined in Annex 3
- Approve the Leicester Business Center Phase IV project for inclusion in the Council's capital programme.
- Approve the continuation of Working Neighbourhood Fund activities through the Area Based Grant to March 2013.

3. SUMMARY

- 3.1 The WNF, ERDF, City Strategy and ESF programmes contribute significantly to delivering the Skills and Enterprise priorities of the One Leicester Vision and meeting the aims of the Leicester Partnership and the Local Area Agreement 2008-2011. These programmes also play a central role in delivering the Economic Development objectives of the Multi Area Agreement for the sub region.
- 3.2 The WNF and related programmes, in line with national objectives, are specifically focused on the delivery of employment, skills and enterprise outcomes, and in particular tackling worklessness and related deprivation in the city. This will increase opportunities for individuals to gain employment and for businesses to start up and grow. The programmes will help mitigate the impacts of the present economic recession.
- 3.3 This report reviews the Working Neighbourhood Fund and related programmes to ensure they deliver the objectives and priorities for employment, skills and enterprise in the City. It also takes into account the new context provided by the sub regional economic development structures and the changes in governance structures, particularly through the establishment of an Enterprise and Skills Priority Board. More specifically for these programmes the report:
- proposes a new commissioning framework to ensure WNF/ERDF programmes are delivering the right priorities against targets in the most effective way. In terms of the employment, skills and enterprise focus the framework considers where we are now, where we want to be and how we are going to use WNF/ERDF and related programmes to get us there. It further considers how we are going to know if we have been successful.
 - considers whether projects currently proposed within the WNF/ERDF programmes meet identified needs and strategy in the commissioning framework and represent value for money.
 - proposes a new City Economic Regeneration Programme Board taking into account new sub regional governance structures, the need to ensure the programme is well connected into Leicester Partnership priorities and the need for resource efficiency. This would combine all current and future City based economic regeneration programme management activity into one Board that would link directly to the LCC Enterprise and Skills Priority Board, the Leicester Partnership and relevant sub regional boards.
 - proposes an extension of the WNF programme to 2013 taking into account current economic conditions and to ensure key projects are sustained over a longer time period to maximise impact on key priorities.

4. REPORT

Programme Background

Working Neighbourhood Fund (WNF)

- 4.1 WNF is provided by the Department of Communities and Local Government as part of the Government's Area Based Grant (ABG). The WNF programme incorporated the Disadvantaged Area Fund (DAF) and replaced the Neighbourhood Renewal Fund (NRF) programme.

4.2 Guidance produced by DCLG when introducing the Working Neighbourhood Fund noted that in some of the most deprived areas, worklessness remains persistent. DCLG guidance noted that of the 5.2 million people then (Nov 2007) claiming out of work benefits (jobseekers allowance, incapacity benefit or income support) around a fifth of claimants live in the most deprived ten percent of neighbourhoods in England. The focus of the WNF programme was a departure from the previous NRF programme in that it was specifically intended to develop ways of tackling entrenched concentrations of worklessness through employment, skills and business support interventions. Since the launch of WNF the economic recession has intensified levels of worklessness within the most deprived areas.

European Regional Development Fund (ERDF)

4.3 European Regional Development Fund (ERDF) is provided by the European Commission to the East Midlands Development Agency (emda). ERDF aims to strengthen the economic and social cohesion in the EU by supporting regional economic development.

4.4 The East Midlands Operational Programme sets out the region's strategy for delivering the funds based on European and national Government frameworks. The commissioning framework in this report covers activities falling under ERDF Priority Axis 2 (Sustainable economic and enterprise activity in disadvantaged communities) of which Leicester City has an indicative allocation of £7.3m. emda is the Accountable Body for ERDF and therefore they are responsible for final approval of ERDF PA2 projects. However, the City Council and partners have a role in determining which projects support local needs and priorities in line with the European Guidelines.

City Strategy / European Social Fund (ESF)

4.5 The approach underlying the City Strategy model was that by giving a greater level of control to local partnerships over the design and delivery of interventions to tackle worklessness, more effective outcomes could be achieved. Through more local influence and better coordinated local partnerships it was intended that:-

- commissioning of employability services would become 'smarter' with less duplication and with alignment of different funding sources to meet the needs of local workless people claiming DWP benefits.
- DWP offered to try and agree flexibilities in terms of their national rules.
- higher job entry and better sustainability post job entry could be secured for given resourcing levels.
- there would be a significant and sustainable reduction in worklessness and increase in employment rates.

4.6 It is our intention to use WNF, with other related funding pots described above to build on the successful work achieved by the City Strategy model. The award winning employment outcomes achieved through Work Highcross were based on effective and ambitious partnership working. This is the model that is being rolled out with partners to develop the Multi Access Centre network throughout the city and the sub region. Further details are provided in Annex 1. This approach represents the central plank of the proposed WNF programme.

4.7 The City Strategy work has also been supported by European Social Fund resources (ESF) and Leicester has secured an allocation of £683,638 for delivery of City Strategy related projects. A sum of £121,091 ESF remains to be allocated and a specification for this will be drawn up for consideration by the proposed new Economic Regeneration Programme Board.

Programme Commissioning Framework

4.8 A commissioning framework has been prepared specifically to address the worklessness agenda in the city and to inform ongoing programme delivery principally for the current WNF and ERDF Funding Programmes. We are not however starting from a blank sheet as these programmes have been established for some while and much work has already been carried out involving partners to identify projects to address need.

4.9 To strategically commission against need going forward we have to recognise and assess current commitments, ensure projects are delivering against the key things we are trying to influence, stop commissioning services that evaluation shows will not influence performance against the most pressing issues and create flexibility to align this funding pot to emerging issues from the economic assessment work. The commissioning framework attached as Annex 1 establishes a way forward in this respect and in short considers:

- Where are we now – what are the key economic trends associated with employment, skills and enterprise, what are the critical issues and what work has been carried out previously (City Strategy and Highfields Multi Access Centre) and has it worked.
- Where do we want to be – what are our priorities to tackle worklessness and where do we want the City to be in the future in the context of the partnership One Leicester vision for the economy.
- How can WNF/ERDF help us to get to where we want to be - how can we use the programmes funds strategically and align these with related economic regeneration and wider partnership programmes. Do projects currently identified help us to get where we want to be.
- What commissioning approach best delivers the desired outcomes.
- How do we provide the right governance which utilises wider partnership expertise.
- How are we going to know if we were successful and how will we approach evaluation and monitoring.

4.10 We have used information learnt from preparing the sub regional economic assessment and are using WNF/ERDF funding to address some of the identified needs. However as this work is not complete we will need to keep it under review with our partners.

Assessing Project Fit to Funding Programme

4.11 The WNF and related ERDF programmes currently comprise a number of existing and proposed projects. The commissioning framework in Annex 1 provides a means to consider to what extent these projects meet identified needs in terms of employment, skills and enterprise priorities.

4.12 An assessment and recommendation on whether to continue/proceed with each project is shown in the spreadsheet attached as Annex 2 to this report. Projects have been assessed for their suitability against:

- Strategic fit with Working Neighbourhood Fund programme and European Regional Development Fund Investment Plan.
- Whether they meet identified priority need.
- Benchmarked comparisons (where available).
- Value for money.

4.13 Based on these assessments projects have been categorised as follows:-

- A Green (good fit) - Project is recommended to proceed subject to contract negotiation or to continue if already under contract.
- B Amber (partial fit) - Project is recommended to proceed subject to further development or evaluation work.
- C Red (poor fit) - Project is recommended not to proceed

A summary list of projects with a recommended way forward in each programme area is attached to this report as Annex 3.

4.14 Based on the recommendations in Annex 3 the following commitments can be identified for each of the programme areas.

Table 1

Theme	Funding Source	Category A		Category B		Category C	
		In Contract	Not in Contract	In Contract	Not in Contract	In Contract	Not in Contract
MAC	WNF	4,292,700	4,600,000	0	0	0	0
Employment	WNF	730,742	4,386,919	0	471,000	0	45,000
Skills	WNF	812,318	0	0	28,140	0	0
Business	WNF	954,728	1,021,881	0	443,000	0	200,370
	ERDF	2,348,729	792,486	0	1,056,800	0	300,555
Infrastructure	WNF	1,512,413	635,973	300,000	0	0	564,303
NRF continuation	WNF (completed)	908,707	0	0	0	0	0
Total	WNF	9,211,608	10,644,773	300,000	942,140	0	809,673
	ERDF	2,348,729	792,486	0	1,056,800	0	300,555

4.15 Table 2 below shows a summary from table 1 indicating that taking into account all projects in category A and B the total WNF commitment level would be £21,098,521 against an allocation of £25,584,181, leaving £4,485,660 remaining. For ERDF the commitment for category A and B projects would be £4,198,015 against an allocation of £7,386,309, leaving £3,188,294 to be allocated. However it should be noted the some of the projects may be reduced at the contract negotiation stage.

Table 2

	WNF	ERDF
Allocation	25,584,181	7,386,309
Category A	19,856,381	3,141,215
Category B	1,242,140	1,056,800
Total Category A and B	21,098,521	4,198,015
Not Allocated	4,515,660	3,188,294

Project Evaluation and Review

- 4.16 Details of the approach and timescale proposed for evaluation of each WNF/ERDF project are detailed in Annex 3 to this report.
- 4.17 A number of projects have been identified in Annex 2 as City Strategy pilot projects which are due to complete at the end of September '09. They are a) Employment Opportunities for people with disabilities; b) Lone Parent & Childcare; c) Set Square. These should be evaluated and considered in the context of the commissioning framework to identify if further resources should be committed. This will be considered through the proposed Economic Regeneration Board to determine if future commissioning should be undertaken.
- 4.18 As this report is seeking to extend the programme lifetime beyond March 2011 (see para 4.23) and a number of projects have been highlighted as potential continuation projects beyond that point it is recommended an evaluation of these projects is undertaken by December 2010 to determine if and how much of this project activity should be continued beyond March 2011.
- 4.19 A mid-term evaluation will be carried out on all other projects that have been funded by WNF in April 2010 to determine whether these should continue and in what form. This mid-term evaluation will review projects in line with their specification and noting any improvement / recommendations of the specification.
- 4.20 It should be noted that project evaluations will inform any de-commissioning the Programme Board undertakes which will be set out in a de-commissioning strategy.

Extending the WNF Programme and Future Commissioning

- 4.21 It is recommended that the WNF programme be extended beyond the previous anticipated end date of March 2011 to March 2013 and continue to concentrate activity on delivering economic benefit within the City. It is understood from CLG that the proposed extension would be legitimate under the terms of the programme, although the potential for Government to cut back the funding should be seen as a potential risk to programme delivery and monitored closely (see para 5.12 of the commissioning framework). Extending core parts of the programme is considered essential to deal with continuing impacts of the current recession, particularly as it clear that unemployment will lag significantly behind an economic recovery. Extending the programme to 2013 would also allow continued alignment of resources from the ERDF programme which ends at that time. Final decisions on what activities should be supported beyond March 2011 with remaining resources will need to be linked to performance and achievement. They may also be linked to the economic assessment and the priority outcomes from that process that are needed to drive positive change in the economic performance of

the city. Notwithstanding these caveats it is considered that core programme activity that should continue is likely to include the following:-

- A focus on the continuation of the Multi Access Centre network and the associated support services to sustain efforts to tackle worklessness within the most disadvantaged communities.
- Continuing support for activity that directly supports new jobs and tackles the current recession via Future Jobs Fund and related initiatives.
- Continuation of a WNF programme team at a level required to manage the extended activity beyond March 2011.

Evaluation and review of these core elements of the existing programme should take place by December 2010 allowing sufficient time to continue the activity beyond March 2011.

- 4.22 Notwithstanding the forward cost implications of extending these core project areas to 2013, should there be surplus WNF funds to allocate, these should be targeted at the delivery of any gaps in the programme highlighted in the commissioning framework. Potential projects previously identified by WNF task groups for inclusion within the WNF programme can also be considered in the context of the commissioning framework should the programme Board wish to commission new activity with any surplus funds.

Future ERDF Programme Commissioning

- 4.23 With regard to the ERDF programme, if all projects are supported under Category A & B, this will create a commitment of £4,198,015 against an allocation of £7.3m, leaving £3,188,294 to be committed and spent by December 2013. It should be noted, ERDF is not fully 100% funded and therefore requires match funding. Based on a maximum commitment by ERDF of 62%, 38% of the total funds would be required from other sources. WNF could potentially be used as match funding which could amount to £1.2m. Based on the remaining WNF allocation and the priority areas highlighted in para 4.21 above it is not recommended this is done at present as it may absorb resources that are otherwise needed to support activity after March 2011. It is envisaged that a call for projects, in line with the ERDF investment plan and the new commissioning framework, will be prepared for December 2009. The details of this will be considered by the new Economic Regeneration Board.

New Governance Arrangements

- 4.24 To manage the programmes effectively we need a governance structure that works for the Partnership both at the City and Sub regional levels. It is recommended that a new Economic Regeneration Programme Board is established to replace all existing City based programme management activity and governance structures related to WNF, ERDF and legacy projects from City Strategy/ESF programmes.
- 4.25 Key partners with a stake in the employment, skills and enterprise agendas would attend the Board. To ensure wider participation and decision making on any commissioning and programme management activity, representatives will be sought from the Leicester Partnership who can provide both direct input to the employment, skills and enterprise delivery programme and make links with other related partnership activity. It is proposed the Cabinet Lead for Regeneration would be a Board member.

- 4.26 The main role of the Board would be to manage the employment, skills and enterprise focused programmes that relate specifically to the City. In doing so it would lead the commissioning of any new project activity in line with the commissioning framework and performance manage the project portfolio. It would work within the context established through the economic assessment and strategy and relevant commissioning frameworks developed at the sub regional level. It would support and report to the Leicester City Council Enterprise and Skills Priority Board on programme development, delivery and performance management information and submit any gateway approvals required at the Priority Board level. The Cabinet cluster for this Board will be regularly updated on progress with the programme.
- 4.27 Progress reports will be provided every 6 months to Cabinet and the Leicester Partnership. Reports will also be submitted to the sub regional economic development structures as required. Details of the new governance arrangements and decision making process are set out in Section 6 of the Commissioning Framework in Annex 1.

5. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

5.1. Financial Implications

- 5.1.1 The Working Neighbourhoods Fund (WNF) is part of the monies allocated to the City Council through the Area Based Grant (ABG). The funding has been identified for a three year period 2008/09 – 2010/11, although the DCLG has stated that the precise allocation for 2010/11 may, “in exceptional circumstances be subject to change “

The WNF allocation over the 3 years is a total of £25,584,181 of which the 2009/10 allocation is £8,581,391. The ABG grant conditions are not onerous, and there is no restriction on the carry forward of sums from one year to the next. There is, however, a general requirement that the use of the ABG should be “to support national, regional and local priorities as (the Local Authority) sees fit. A decision to carry forward a significant level of underspend should therefore be taken in the context of the overall benefits to be derived from such an approach. The European Regional Development Funding referred to in the report covers the period up to March 31 2013.

- 5.1.2 At its meeting on September 1st, Cabinet agreed the allocation of all ABG funding for 2009/10, and this included the sum of £8,531,391 to be managed by the Economic Development Partnership. The governance arrangements for the financial management of the ABG were also ratified by Cabinet and these determine that:

- The City Council’s Chief Executive is responsible for the Area Based Grant in totality.
- A City Council Strategic Director is responsible for the performance of each Strategic Theme Group and the allocation of budget to individual projects, tasks or workstreams.
- A Designated Service budget holder is responsible for managing each of the delegated budgets.

- 5.1.3 The recommendations in the report for the approval of projects within Categories A and B can be funded from the expected WNF allocation, leaving a further £4.4m available for future allocation (subject to any changes by DCLG to the allocation for 2010/11 – see para 5.1.1 above).

5.2 Legal Implications

- 5.2.1 The Working Neighbourhoods Fund has now been moved into the non-ringfenced general grant, Area Based Grant which, in accordance with the grant determination letter, is to be used to support national, regional and local priorities. There are no terms and conditions attached to this apart from the usual internal and external auditing requirements. The proposed activities to be funded as described in this report at Annex 2/3 would appear to fall within the Councils "well being powers" but the Council, before deciding to support these activities needs to take account of its Sustainable Community Strategy. ABG allocations for next year (2010/2011) are however only indicative at this stage.
- 5.2.3 The report also deals with ERDF programme monies. These do come with terms and conditions and these should be stepped down as far as possible (accepting that the Council will have to bear "accountable body" type risk) to the projects. It is not possible to comment specifically on the scope and application of the ERDF approval to the projects described although the framework document does indicate that it is for sustainable economic and enterprise activity in disadvantaged communities and that an investment programme of four broad headings has been agreed with the European Commission. The framework document notes that this however is an indicative allocation and projects in particular have to pass the approval and appraisal process.
- 5.2.4 The report sets out a broad interim framework for commissioning activity that tackles worklessness. This framework sets out strategies that have been developed to contribute directly to the One Leicester priority of "Invest in Skills and Enterprise" and the outputs that feed into certain NI Targets relating to jobs, training, education and small businesses.
- 5.2.5 The report seeks to continue the funding allocation for in contract commitments, the remaining to be allocated.
- 5.2.6 The framework envisages 3 forms by which projects could be commissioned. Firstly open calls for proposals which (at my reading of the framework) would be funded on a "gap analysis" basis, secondly projects internal to Leicester City Council under internal arrangements and thirdly tenders received for the delivery of specifications developed by the Council. The framework sets out the link to the Council's contract procedure rules and the EU procurement regime. The difference in remedies available for breach of "grant funding" arrangements and public contracts is well known.
- 5.2.7 The framework envisages "in contract" changes of up to 5% of contract value will be dealt with by the programme manager, effectively this creates a client contingency reserve. Other changes would have to be managed through the programme governance arrangements. Regard should however be had in particular to the law relating to in contract "variations" to public contracts. Care should also be taken with contracts and funding agreements to reflect the status of future years incoming funding. The framework indicates that a "de-commissioning" strategy is developed and agreed and this I strongly support this proposal. In particular there should be a risk matrix including (as far as possible) any unintended consequences (it is envisaged that these would largely be workforce related)

5.2.8 Further thought could be given to other forms of commissioning, for example collaborative working.

5.2.9 At decision making level the proposals need to align with the Councils' constitution and the scheme of delegations. As such my understanding is that whilst the Board may agree project proposals and specifications all selection and award decisions will need to be taken within the Council's scheme of delegations. At the time of writing the responsibilities of Directors document is being finalised for inclusion in the Constitution.

Joanna Bunting, Head of Commercial and Property Law, ext 6450

6. OTHER IMPLICATIONS

OTHER IMPLICATIONS	YES/NO	Paragraph references within the report
Equal Opportunities	Yes	Annex 1, Section 2 & 3, Annex 4
Policy	Yes	Annex 1, Section 3
Sustainable and Environmental	Yes	Annex 1, para 3.3
Crime and Disorder	Yes	Annex 1, para 2.9, 3.3
Human Rights Act	No	
Elderly/People on Low Income	Yes	Annex 1, para 2.9,2.19,2.20

7. RISK ASSESSMENT MATRIX

Risk	Likelihood L/M/H	Severity Impact L/M/H	Control Actions (if necessary/appropriate)
No agreement to continue programme beyond March 2011	L	H	This impacts on the delivery of the WNF programme as concentration would then be on spend, rather than addressing the needs of the clients over a reasonable time period
No agreement to commissioning framework and recommendations	M	H	This would delay the delivery of all the programmes and projects currently in development or underway which largely support people into employment
New Governance Structures not Agreed	L	M	Would need to manage the agreed programme within existing structures which lack clarity and resource efficiency.

L – Low L – Low
M – Medium M – Medium
H - High H - High

8. BACKGROUND PAPERS – LOCAL GOVERNMENT ACT 1972

WNF Programme, Leicester Partnership Executive, 1st December 2008

WNF Programme, Leicester Partnership Executive, 16th July 2008

The Working Neighbourhoods Fund, DWP, November 2007

9. CONSULTATIONS

Leicester Partnership
WNF Programme Board

10. REPORT AUTHOR

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**WORKING NEIGHBOURHOOD FUND AND EUROPEAN REGIONAL
DEVELOPMENT FUND PROGRAMME COMMISSIONING FRAMEWORK**

September 2009

This Commissioning Framework has been developed to manage the effective delivery of the Working Neighbourhood Fund (WNF) and European Regional Development Fund (ERDF) programmes. It also provides context for legacy aspects of the City Strategy and related European Social Fund (ESF) programmes.

The framework should be seen as a city employment, skills and enterprise focused sub-set of work currently underway at the Sub-Regional level to develop an economic assessment and strategy and subsequently a sub regional commissioning strategy. As such this framework will ultimately be superseded. In the interim it is important that momentum is continued in the city based WNF and ERDF programmes to deliver interventions aimed at tackling worklessness and providing support for business.

In short this framework considers the city's worklessness agenda as follows:

- Where are we now – what are the key economic trends associated with employment, skills and enterprise what are the critical issues and what work has been carried out previously and has it worked.
- Where do we want to be – what are our priorities and where do we want the city to be in the future in the context of the partnership One Leicester vision for the economy.
- How can WNF/ERDF help us to get to where we want to be - how can we use the programmes funds strategically and align these with related economic regeneration and wider partnership programmes. Do projects currently identified help us to get where we want to be.
- What commissioning approach best delivers the desired outcomes.
- How do we provide the right governance which utilises wider partnership expertise.
- How are we going to know if we were successful.

This framework includes the following detailed aspects:-

- An overview of the general stages involved in strategic commissioning.
- Stage 1 analysis of economic information and trends and evaluation of related previous work carried out for the City Strategy programme and the pilot Highfields Multi Access Centre.
- Stage 1 conclusions on priorities related to identified need both in terms of activity type and target areas and groups.
- Stage 2 programme plans targeted at meeting identified need.
- Stage 3 delivery planning including a review against criteria of projects currently within the WNF and ERDF portfolios and consideration of projects that have been proposed for inclusion. Projects have been considered under the following programme headings with indicative funding envelopes:
 - Multi-Access Centres and support services
 - Supporting people into employment
 - Supporting people to develop their skills
 - Supporting business creation and growth
 - Partnership Infrastructure Support
 - Completed NRF transitional projects

- Stage 3 consideration of commissioning approach for projects.
- Stage 4 approach to contracting, monitoring and evaluation, decommissioning process, programme risk management and exit strategies for projects.
- Stage 5 governance structure and decision making proposals.

1. STRATEGIC COMMISSIONING

1.1 What Is Strategic Commissioning

Strategic commissioning is about getting the right services in place to deliver against local needs, and making the best use of available resources.

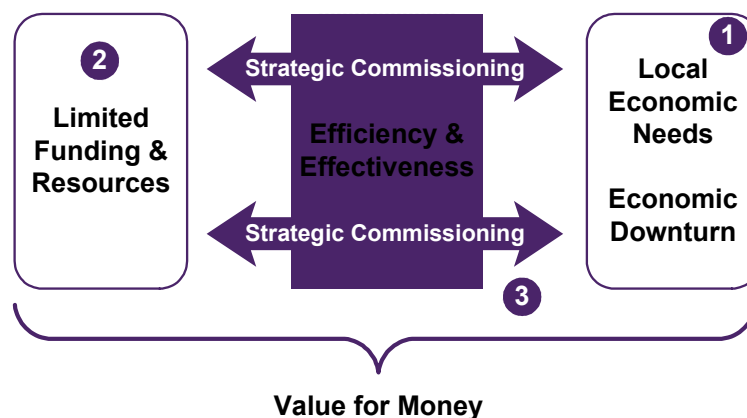
1.2 Commissioning involves:

- An **evidence based** analysis of the needs of users
- Deciding the services that best deliver against those needs from **across the market** (private, public and voluntary)
- Acquiring the best services and making sure they are successful through **ongoing monitoring and review**

1.3 Why is strategic commissioning important

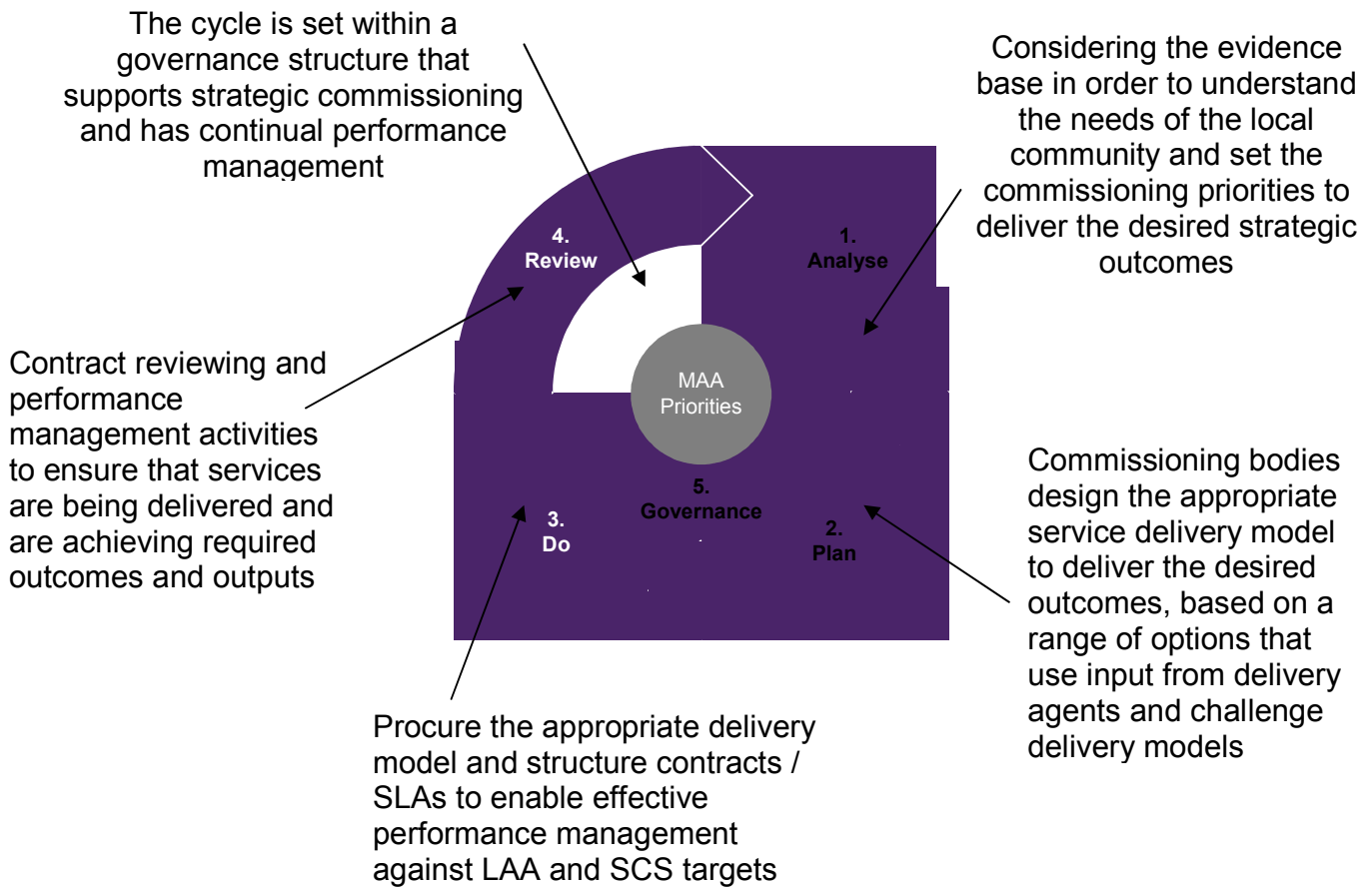
Commissioning helps align what we do against what we want to achieve to deliver to make the best use of resources

1.4 Therefore by addressing the local economic needs & the economic downturn with the limited funding & resources this gives you value for money and efficiency & effectiveness



1.5 Stages of Strategic Commissioning

The following graph outlines the stages of commissioning. These stages are detailed in the following pages in respect of the Working Neighbourhood Fund (WNF) the European Regional Development Fund (ERDF) and legacy aspects of the City Strategy and related ESF programmes.



2 STAGE 1 – ANALYSE – WHERE ARE WE NOW

- 2.1 The following analysis summarises employment, skills and enterprise related data that is relevant to the Working Neighbourhood Fund and other regeneration programmes (including legacy City Strategy, ESF and the European Regional Development Fund (Priority Axis 2). It provides an overview of where we are now in terms of the current state of the economy and the main areas of need in terms of Employment, Skills and enterprise with a focus on addressing deprivation in the city. Wider analysis of all aspects of economic development for the sub region as a whole will be carried out as part of the economic assessment currently nearing completion.
- 2.2 Conclusions are reached on employment, skills and enterprise priorities related to identified needs in the City both in terms of types of intervention and target areas and groups. Also lessons are drawn from evaluation of key strands of related recent activity on City Strategy and Highfields Multi Access Centre.

Unemployment & Employment

- 2.3 Leicester had an unemployment rate of 11.9% at Sept 08 based on the ILO (International Labour Market) definition, more than double the comparator figures for the county, east midlands and the UK as a whole (Table A). The employment rate (NI 151) as of June 2009 stood at 64.2% (189,400 people), compared to the Great Britain average of 74.5%. The Annual Population Survey (APS) Sept 08 shows that economic activity (i.e. training, employment, volunteering etc) for the City stands at 72.8% as apposed to the national average of 78.9%. Of particular note, only 64.7% of females in the City were economically active compared to 76.8% in the East Midlands.

Table A: Unemployment (ILO figures)

Area	October 2007 - September 2008		October 2006 - September 2007	
	ILO Unemployment Rate (working age)	Total Persons ILO Unem- ployed	ILO Unemployment Rate (working age)	Total Persons ILO Unemployed
United Kingdom	5.5%	1,620,000	5.3%	1,531,900
East Midlands	5.5%	121,500	5.1%	106,900
Leicester Shire	6.5%	30,500	5.2%	23,600
Leicester City	11.9%	16,400	9.1%	12,200

Jobseekers Allowance

- 2.4 Jobseekers allowance is one of a number of benefits related to worklessness. The recent recession has greatly increased again the numbers in receipt of JSA. There were 24,499 people claiming JSA benefits in the sub-region in July 2009 compared to only 13,308 in July 2008. Tables B, C, D and E below analyse and break down JSA recipients in terms of geographical area, age, ethnicity and gender.

Table B: Resident-Based Claimant Count (JSA) proportion: July 2009

Area	Claimant Count Proportion (working age)			Total Claimant Count	Change since last month	Change since last year	Previous months Proportion (change)	Previous years Proportion (change)
	Total	Male	Female					
Leicester Shire	4.2%	5.7%	2.4%	24,499	326	11,191	4.1%(0.1)	2.3%(1.9)
Leicestershire County	3.0%	4.1%	1.8%	12,032	185	6,931	3.0%(0.0)	1.3%(1.7)
Leicester City	6.5%	9.2%	3.7%	12,467	141	4,260	6.5%(0.0)	4.4%(2.1)
Rutland	1.7%	2.1%	1.2%	380	-12	229	1.7%(0.0)	0.7%(1.0)
East Midlands	4.1%	5.7%	2.3%	110,941	663	51,906	4.0%(0.1)	2.2%(1.9)
UK	4.2%	5.8%	2.3%	1,573,139	19,883	701,851	4.1%(0.1)	2.3%(1.9)

Table C: Claimant County by Age & Duration

Area	18-24 years old				Over 25 years old			
	Up to 6 months	6-12 months	13-18 months	Over 18 months	Up to 6 months	6-12 months	13-18 months	Over 18 months
Leicester City	2,915	565	20	10	5,395	2,140	940	410
Leicestershire County	2,960	600	15	10	5,970	1,780	465	180
Rutland	85	20	0	0	205	50	10	10
Leicester Shire	5,875	1,165	35	20	11,365	3,915	1,405	595

Table D: Claimant Count (JSA) by Ethnicity; June 2009

Area	White	Mixed	Black or Black British	Asian or Asian British	Chinese or Other Ethnic Group	'Non White'	Prefer not to say / Unknown
Leicester City	6,500	320	1,055	3,360	340	5,075	745
Leicestershire County	10,150	120	80	610	95	900	795
Leicester Shire	16,650	440	1,135	3,970	435	5,980	1,540
East Midlands	90,965	1,730	3,695	6,000	1,215	12,635	6,425
Great Britain	1,189,955	22,410	77,850	74,400	25,380	200,035	109,525

Table E: Claimant Count (JSA) by ethnicity, age and gender; June 2009

	Total	Previous month	Previous year	Male				Female			
				Aged <18	Aged 18-24	Aged 25-49	Aged 50+	Aged < 18	Aged 18-24	Aged 25-49	Aged 50+
Leicester Shire											
'White'	16,645	24,530	7,695	60	3,415	6,735	2,270	50	1,335	1,960	820
'Non-white'	5,975	9,530	3,815	10	940	2,510	670	0	505	970	370
Leicester City											
'White'	6,495	10,360	3,805	30	1,315	2,835	770	30	540	725	250
'Non-white'	5,065	8,215	3,375	10	785	2,175	565	0	420	795	325

Other Benefits

2.5 2.5 In recent years the number of people claiming incapacity benefit has regularly been over three times the number of people out of work and claiming JSA. Tables F and G show that a range of approaches for different groups will be needed in order to help move people first off benefits and then into employment if we are to increase our overall employment rate.

Table F: Benefit Claimants by Statistical Group – main reason for claiming benefit; February 2009

Statistical group	East Midlands		Leicester City	
	Number	Rate	Number	Rate
Employment and Support Allowance & Incapacity Benefits	178,570	6.5	15,940	8.3
Job Seeker	105,420	3.9	11,280	5.9
Lone Parent	47,480	1.7	6,070	3.2
Carer	31,020	1.1	2,930	1.5
Disabled	28,420	1.0	2,040	1.1
Others on income related benefit	11,640	0.4	1,340	0.7
Bereaved	6,630	0.2	450	0.2
Total	409,180	15.0	40,050	21.0

Table G: Working-age people claiming one or more key DWP benefits by duration, February 2009

Area	Number	All benefits			Duration (proportion of all claimants)				
		Rate	Previous year number	Previous year rate	<6mths	6mths - 1yr	1yr - 2yrs	2yrs - 5yrs	+5yrs
Leicester City	40,050	21.0%	35,770	19.0%	27%	10%	11%	16%	37%
Leicestershire County	40,790	10.2%	33,820	8.6%	32%	8%	9%	15%	36%
Rutland	1,540	6.8%	1,270	5.5%	31%	7%	10%	14%	38%
East Midlands	409,180	15.0%	355,380	13.1%	28%	9%	9%	15%	39%

2.6 Following a period when NEET rates have fallen significantly, the recent recession has seen them increase once more and there is a danger that a new generation of young people could find themselves locked out of the labour market. There is a great deal of evidence now to suggest that the impacts of the recession are falling disproportionately on young people. At July 2009 in both City & County 9.8% of 16-18 year olds in the City were Not in Education, Employment or Training. Table H below summarises some of the key data for the areas that are considered to be the most disadvantaged in the city and that are therefore the focus of the Multi-Access Centres initiative.

Table H:

	Beaumont Leys /Stocking Farm	Braunstone and Rowley Fields	Eyres Monsell and Saffron	Highfields/ Spinney Hills	New Parks	St Mathews	North East Leic.	City – Wide Total
Lone Parents (Aug 08)	595	650	755	430	730	200	445	6090
NEET Group (Jan 09)	64	116 (inc. Rowley Fields)	157	93	109	43	59	932
Over 50's (Jun 09)	115	105	115	215	110	75	175	2055
JSA Claimants (Jun 09)	797	804	1024	1081	750	215 (Aug 08)	855	12,326
Incapacity Claimants (Aug 08)	920	1110	1395	1340	1130	270	1245	15900
Totals	2491	2785	3446	3159	2829	803	2779	37303
BME Groups	Ethnicity Breakdown for JSA Claimants (Source Nomis Official data (Aug 08))							
	Total for Leicester City						8,310	
	Asian or Asian British – Indian						1,920	
	Asian or Asian British – Pakistani						220	
	Asian or Asian British – Bangladeshi						70	
	Asian or Asian British - other Asian						120	
	Black or black British – Caribbean						230	
	Black or black British – African						460	
	Black or black British - Other black						90	
	Chinese or other ethnic group - Other ethnic group						230	

Offenders	<p>City Wide Data over 18 year olds 1200 Offenders under supervision in probation service, only 31% are in employment. 500 – Not Under Supervision (Source: Probation Services)</p> <p>City Wide Data (16-18 year olds) - 200 under supervision (April 2009) – Source: City Youth Offending Service.</p>
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Source: Nomis Official Site for: Lone Parents, Over 50's, Ethnicity Breakdown, JSA and Incapacity Claimants.

Note 1; North East Leicester Includes following ward data: Thurncourt, Humberstone and Hamilton.

Note 2; City wide data relates to all City wards (including the areas to be served by Multi Access Centres).

Note 3; Ward data relating to the prevalence of BME claimants is not available and therefore the information provided above relates to profiles of BME JSA Claimants across the City. For population statistics relating to Ethnicity profiles within Leicester City Wards – please see the link below:

<http://www.leicester.gov.uk/your-council--services/council-and-democracy/city-statistics/wardprofiles/wardprofiles2001census>

Note 4; It is estimated that across the City wards in total 6000 people have some degree of Learning Disability.

General Note: The data provides an indication only as to the typical clients and claimants within each of the areas. The data is limited by the fact that the MAC areas do not correlate directly to the ward data available. Further, the data is changing from month to month given the current economic conditions.

For additional details relating to national and local indicators in the context of the current economic climate, please download the file from the links below:

http://www.lsr-online.org/reports/unemployment_bulletin_june_2009

http://www.lsr-online.org/reports/credit_crunch_report_june_2009

Specific Target Groups

- 2.7 Based on the above details, there are specific target groups which require support in order to move people off benefits. In particular:-
- Lone Parents - there are 6,070 people currently receiving benefits against a total claimant of 40,050. Leicester's claimant rate is 3.2% which is 1.5% above the regional rate of 1.7%
 - Over 50's – As of July 2009 there are 1,910 claimants on JSA that are over 50 years of age, largely of being 1,335 claimants. The largest claimant rate is between the age of 25-49 accounting for 6,530 claimants, of which 2835 (white male); 2175 (non-white) male
 - Of those aged 25 and over, 5395 were unemployed less than 6 months, 2140 being unemployed between 6-12 months. 1350 long-term unemployed
 - Young People (18-24 year olds) –currently there 2915 claimants who have been unemployed for up to 6 months, this figure is anticipated to rise and carry over to being 6-12 month unemployed based on the current climate
 - Ethnicity – the highest claimants are white accounting for 6500 followed by 3360 (Asian or Asian British), then 1055 (Black or Black British). However, this does not take into account small pockets of long-term unemployed.
 - NEET – as of Jan 09, 932 young people were not in education, training or employment.
 - Offenders – Only 34% of offenders in the City are in employment at the end of their order or licence, which is a fall of 48% at the same time last year. Most of the offenders have low skills and majority are not qualified to level 2.

- 2.8 Leicester population of 295,200 (2008 revised ONS estimate) however it should be noted it is believed this figure still represents a significant population undercount. Leicester has a young population as 45% are under 29 years old.
- 2.9 It is currently ranked as the 20th most deprived local authority in the country (2007 IMD). Approximately 40% of Leicester's population has an ethnic minority background and the city is projected to have a majority non-white population sometime after 2011 (estimates by Leicester City Council). The city is home to nearly 1000 asylum seekers and refugees, many of whom are single young men.

SKILLS DATA

2.10 The following table demonstrates the current skills levels in the city's workforce now and educational performance which will underpin the skills levels of new entrants:

Area	Level 4	Level 3	Level 2	No Qualifications
Leicester	24.0%	39.4%	57.6%	21.4%
East Midlands	27.3%	47%	67.2%	13.1%
England	30.2%	49%	68.9%	12.5%

2.11 Education, skills and training are recognised as major contributors to the future economic growth and success of any area. Low adult skills puts pressure on the economy through difficulties in recruitment, worklessness and low rate of progression and inhibits the development of higher value business activities.

Education

- 2.12 61% of city pupils achieve level 4 in English and Maths at Key Stage 2, however this is below the national and regional average of 70%. However, Pupils from Asian Ethnic Backgrounds achieve higher than national average (70% against 66%), whereas in the city pupils from White, mixed background and black achieve lower than national average (56 / 71; 59 / 71; 51/59).
- 2.13 Leicester achieved 39.9% of pupils gaining key stage 4 (GCSE) against a national average of 47.6%, with girls outperforming boys by 5%. Taking this further, only 27.7% of white pupils in the city achieve level 5+ (A levels) compared to Asian pupils standing at 47.8%.
- 2.14 One of the key National Indicator targets is the achievement of Level 2 qualifications, at present for Leicester the annual population survey shows Leicester at 57.6% against an LAA target of 61.8% for level 2.

Recession Impact

- 2.15 Analysis of Job Centre Plus vacancies and JSA claimants by occupation has found that the current economic climate has created a pool of claimants searching for jobs that are no longer available. Conversely, other occupations are still hard to fill due to claimants having different skills / experience / interest or the jobs having poor working conditions. In April 2009, there were 11.82 JSA claimants per unfilled vacancy in the sub-region.
- 2.16 There is a case to state that finding work is harder without qualifications, even if they are not needed to do the job as they are often used as a screening process. Therefore those without formal qualification will be at risk of becoming long term unemployed. The Future Jobs Fund initiative is intended to identify temporary jobs and provide training in house potentially leading to permanent positions in particular those supporting the community.

Workforce

- 2.17 The Annual Population Survey (2008) shows that unemployed City residents are more likely to be working in Elementary occupations or as Process, Plant and machine operatives. Health and Social welfare professionals are also over represented in the City. Whereas County residents are more likely to be employed as Managers or Senior Officials. Administrators are also over represented in the County. Only 9% of City residents are employed as manager or Senior Officials compared to regional average of 15%.
- 2.18 The current medium weekly earnings for the city residents stands at £373.80 compared to £479.90 in the County this could be seen as a reflection on the type of occupations recorded.

Skills shortages

- 2.19 Many employers suggest that they have difficulty in recruiting due to lack of applicants with job specific skills, rather than formal qualifications. Many prefer to train their staff in skills that may not be recognised within any formal qualification structure.
- 2.20 The number of firms reporting skills shortages have decreased slightly in Spring 2009 compared to Summer 2008 business survey. Overall 22% of firms agreed that skill shortages were having a serious impact on their business compared to 27% in the previous year.
- 2.21 23% of manufacturing firms also reported difficulties in recruiting staff compared to 18% of Service sector companies. 40% of firms stated they were having recruitment difficulties because there was a lack of applicants with the right attitude / personality.

BUSINESS DATA

GVA (Gross Value Added)

- 2.22 GVA is the principle measure of output at a local level – it represents the total value of goods and services that a given geographical area produces. In 2006 the sub-region was worth £17.4billion. This constitutes almost a quarter of total regional GVA.
- 2.23 In the current economic situation, there is uncertainty around the extent of economic shrinkage in Leicester. Experian has forecast a 0-7% contraction in output growth for 2009, with growth rates recovering to 1.6% in 2010. According to the forecast the construction sector will be hit first, followed by production and then service industries. Conversely construction is expected to be the first to recover.

Productivity

- 2.24 Productivity, understood as output per head of local population, is an important indicator of the overall health and wealth of an economy. In 2006, productivity for Leicester City was £21,066/head and for Leicestershire (and Rutland) was £17,130/head. Leicester is above the regional and national figures. It is usual for cities to show higher levels of GVA per head than other areas that surround them this is because they provide a focus or core for economic activity to take place.

Employment Structure

- 2.25 Manufacturing – Leicester and Leicestershire has a strong history of manufacturing which in the past was dominated by the textiles sub-sector. The economy has experience significant economic transition over the past two decades. This is evidenced by a shift away from traditional manufacturing in favour of service-based industries. However, by national standards manufacturing remains a key feature of the local economy, accounting for 16% against GB average of 11%.
- 2.26 Services – This sector has grown over the past 10 years. Overall Leicestershire is strong in terms of transport and communications employment (8% compared to 6% nationally). This is linked to its central location and excellent communication links by road, rail and air. In line with regional performance, the sub-region (18%) falls behind the GB average (22%) in terms of

employment in the banking, financial and business service sector. However, Leicester has high levels of employment in public administration, education and health.

Business Structure

2.27 Small and micro-businesses are vital to the local economy. In line with national figures 81% of all businesses in Leicester and Leicestershire employ less than 10 people and 96% employ less than 50 people.

2.28 These are largely concentrated in the property and business services and the retail trade sectors. Property and business services enterprises saw the highest growth in units between 2003 and 2007, whilst the number of businesses registered as 'production' (including manufacturing) shrank. It should be noted this relates to 2007 evidence (before the recession).

VAT registered businesses

2.29 At the beginning of 2006 the Small Business Service reported that there were 127,590 VAT registered businesses in the East Midlands, which is 6.9% of the UK total.

2.30 Around 18,500 VAT registered businesses are in the three cities of Derby, Leicester and Nottingham. This is 14.5% of the total in the East Midlands. As almost half of economic activity in the region is located in these cities, this suggests that the average size of businesses in these cities is larger than elsewhere in the region.

2.31 Derby has 4,700 VAT registered businesses (3.7% of the regional total). Leicester has 7,700 (6.0% of the total) and Nottingham has 6,100 (4.8% of the total).

2.32 Estimates of firm density have been made for sub-regions of the East Midlands, where firm density is defined as the number of firms per square kilometre. These estimates show that firm densities are highest in Nottingham, Leicester and Northampton, which have the largest populations of firms. These three areas are much more likely to benefit from what are known as agglomeration economies which include larger and deeper markets for inputs (such as labour and intermediate goods), for the goods and services produced and spill-over benefits from the close location of firms and a large pool of labour.

2.33 Between the beginning of 1996 and 2006 the VAT registered business stock increased by around 16,600, or 15.0%, in the East Midlands. This is slightly above the UK figure of 14.7%. It should also be noted that:

- Among the three cities of Derby, Leicester and Nottingham, only Derby has experienced an increase in the VAT registered business stock in excess of the regional or national average.
- In Nottingham the VAT registered business stock increased by just 5.9% during this period;
- In Northampton the VAT registered business stock increased by just over one fifth between 1996 and 2006;
- The largest increases in the VAT registered business stock occurred in the south of the region in Northamptonshire.

2.34 Although the largest and smallest sectors in the East Midlands tend to be the same as those for the UK there are important differences in the detail:

- The majority of VAT registered businesses are in the service sector. In the East Midlands 68.8% of businesses are service sector businesses, compared to 72.6% for the UK;
- Real Estate, Renting & Business Activities is the largest sector in the East Midlands, accounting for 25.4% of the VAT registered business stock (compared to 29.8% for the UK). Wholesale, Retail & Repairs also account for more than a fifth of the VAT registered business stock at both regional and national levels;

- The Manufacturing and Construction sectors in the East Midlands account for a greater share of businesses than the UK average (10.4% and 12.6% compared to 8.1% and 11.6% respectively).

Entrepreneurship

- 2.35 Whilst Leicester has a healthy and entrepreneurial business base with its VAT registered business in 2007 being ahead of the national average, the three year survival rate in Leicester City is poor.
- 2.36 In terms of Leicester and Leicestershire's business registration rate – new businesses registered per 100,000 of the local resident 16+ population – the sub-region compares poorly to the national rate. Leicester City is ranked 88 out of the 148 upper tier local authorities in England.

Public Intervention

- 2.37 Leicestershire County Council spent £274m on goods, works and services in the financial year 2007/2008 compared to that of Leicester City Council spending £191 million. However, an estimated 55% of the City Council's spend went to local businesses compared to 49% of the County council's spend.
- 2.38 Based on the Leicester and Leicestershire's 2006/2007 business survey the construction industry, education and health sector businesses are most likely to contract with the public sector. Since the construction sector is likely to be affected significantly by the economic downturn, local government could provide a significant boost to the sector before the economy recovers. However, caution is needed as the construction sector grew at a time when credit was extended to individuals and businesses at arguably unsustainable levels.

Pilot Multi-Access Centre Evaluation

- 2.39 The delivery of City Strategy included the creation of multi-access centres located in Highfields and the City Centre. An evaluation was undertaken on the Highfields MAC in November 2008. The main messages arising from this evaluation were:-
- ❑ The HMAC is providing a valuable service to local people in the Highfields area, this is shown by the numbers accessing support and the waiting lists of those wanting help.
 - ❑ When setting up a multi-access team using the HMAC model it is felt that it was important to ensure that all team members subscribed to the same ethos and ways of working rather than bringing alternative ideas from previous roles. It was felt that directly employing staff rather than seconding them would help in this regard.
 - ❑ The model for delivering multi-agency support adopted by the HMAC works well in that locality but further work needs to be done in terms of evaluating the transferability of approaches to other areas of the city where needs of the client groups will be different.
- 2.40 An example of good practice demonstrated through the Highfields MAC was linked to the work of Highcross. In total the work Highcross project supported 2,075 people into employment. Of the 1,556 recruits, 1,001 were female recruits and 552 male. Furthermore, 824 employees found 72% were previously unemployed or NEET of which 67% were from BME backgrounds and 52% lived in priority areas.

City Strategy Evaluation

- 2.41 An evaluation was undertaken on the work of City Strategy programme in June 2009 where the following conclusions and way forward were recognized
- 2.42 Leicester City Strategy Partnership's reaction to the issues raised in the Business Plan has been shaped by the requirements for a rapid and effective response to the opportunities at Highcross. The strategic leadership by the City Strategy Chair and Board, backed by effective project

management has combined to deliver results on Highcross. This has resulted in a number of positive outcomes:-

- Most importantly, the requirement for an operational focus has helped to galvanise relationships between partners, with City Strategy providing a coordinating role by bringing together stakeholders responsible for the different elements of the process. City Strategy has had considerable success in pooling from a range of partner organizations including the LSC, Jobcentre Plus, Leicester City Council, Hammerson and EMDA.
- The operational focus has also supported the development and piloting of a 'Pathway model' which has been highly praised by employers and has been shown to be effective for a large number of clients. Qualitative evidence from employers suggests that Work Highcross/City Strategy clients have remained and progressed in employment, in some cases more rapidly than non City Strategy clients. This is considered to be linked to the 'brand fit' concept – ensuring that the right candidate is placed into the right job.
- The Work Highcross model has demonstrated to partners and providers that it is possible to target high profile and prestige jobs at disadvantaged communities.
- The Ethitec database provides a shared platform for understanding performance across all city strategy provision. Common performance data underpins a joint discussion on improving outcomes and investing in those activities that deliver results
- While some providers found the procurement and set up arrangements for the process unusual, most still attended provider events, mutual trust has developed and providers report that they discuss issues openly and collaborate to a greater degree (through joint bids to other funding streams) than would otherwise have been the case. The Highcross employability pathway commissioning introduced important principles, such as outcome related funding that will stand local providers in good stead for the introduction of FND.
- Both partners and providers recognize the added value offered by City Strategy – for example through coordinating client caseloads, providing publicity, brokering employment opportunities and ensuring clients are 'brand ready; as well as 'job ready'.
- Some partners have provided examples of how closer working relationships have had a tangible impact in their organization:
 - In the past, NEET targets have been overlooked because they appear in the Children and Young People block of the MAA rather than in the Economic Development Block. The inclusion of Connexions at a strategic level has helped other partners to realize the importance of the young person target. Relationships between connexions and the adult and employability part of the LSC have also been strengthened.
- The overall headline target was for 1,220 clients to enter employment. As of April 2009 a total of 1,443 previously unemployment or economically inactive City Strategy clients were recorded as having one or more positive employment outcomes.
- A total of 8,653 clients have been registered with City Strategy of which 71% (6,177) were unemployed or economically inactive. Therefore, based on the work of City Strategy there is an existing pool of clients who require support to move into employment. However, it should be noted, those on long-term unemployment (over 12 months) only accounted for 1,983 people. Therefore, more concentration is needed to reach the hard-to-reach claimants of JSA, Incapacity Benefit and Lone Parent.

Way Forward

- Through a focus on Work Highcross, the Leicester City Strategy partnership has established some key operational principles underpinning good practice. This has happened on a relatively narrow front and the challenge up to March 2011, is to broaden these principles in other sectors as set out in the City Strategy business plan.
- A key part of the business plan was to take advantage of a string of significant investments in the Leicester economy to draw more disadvantaged workless people into the labour market.

Further investment-led opportunities will be limited due to the recession but we think that the focus on particular sectors (public sector, construction, food and business sectors) is the right choice in order to concentrate efforts on the better performing areas of the economy. Being able to offer clients realistic job opportunities is essential to the effectiveness of such interventions.

- Rolling the collaboration on Highcross into mainstream job placements is a particular challenge. What can be achieved for large number of job opportunities does not always translate into day-to-day operations primarily as there is less need for partners to collaborate - large investments means that no one organization can serve all the job opportunities in a relatively short period of time. Nevertheless, City Strategy partners should take forward the lessons of the approach to improve employer engagement procedures.
- Providing the more disadvantaged workless people with sufficient support to enable them to challenge for available job opportunities is a challenge for welfare-to-work services at the best of times – there is a need to retain their interest in developing skills to the point at which an employer will make an offer. Leicester City Strategy needs a plan B for those candidates who will not challenge for employment in the short term. There are a number of potential routes forward here:-
 - Work with local partners to build on the MAC concept, particularly around the issue of community learning as a mechanism for skills development and engagement as suggested in the Business Plan. This will have the advantage of fully integrating the MACs into the wider employability pathway.
 - What other pathways can be developed that build skills and experience? The Future Jobs Funds has recently been announced and offers an opportunity to build the work experience of workless people. Integrating the FJF into an employability pathway is a challenge that partners should address jointly. Finding 'host' employment for FJF candidates will be a challenge in the current economic climate and it will also be important to link such work experience to skills development and employment opportunities in the wider labour market.
 - Look to add value to the mainstream, in particular the introduction of Flexible New Deal delivery in the Autumn. The arrival of a prime contractor-led programme will signal a significant shift in the delivery and shape of welfare-to-work services and it will be essential for partners to work together to best prepare delivery partners.
- It is increasingly important to maintain a shared purpose – ensuring that the operational groups remain well attended and focused in light of reduced employment opportunities. This appears to be happening with the continuation of the employability pathways activities whilst focusing on raising skills and volunteering opportunities.
- Local resources for future activity will be tight. The Working Neighbourhood Funds will provide a very important resource for the LA and partners to re-enforce the approach adopted by City Strategy. The government will demand a stronger link between WNF spend in local communities and employability outcomes and City Strategy partners can provide this.

Conclusions

2.43 The above analysis provides a baseline assessment and a summary of 'where we are now' in terms of Employment, Skills and Enterprise in the City. From this, clear priority needs can be identified which form the backbone of the WNF/ERDF programmes. The resulting initiatives will support the work needed to hit our National Indicators targets and the overall goals of One

Leicester. Whilst some of the above messages have been consistent for some time in the city, the recession has shifted the focus somewhat, especially in regard to young people. In short, from the above analysis the key areas of concern for the city in terms of tackling worklessness and the associated deprivation are:

- Tackling geographic concentrations of unemployment (see 2.5 Table H)
- Developing capacity to broker better linkages between employers, training and IAG providers and those who are workless, especially those target groups furthest from the labour market (see para 2.7)
- Improving advice and guidance and support to those on benefits who can return to the labour market
- Encouraging better linkages to new employment opportunities within growth sectors of the economy
- Raising the employment rate
- Ensuring opportunities are targeted at young people at risk from the recession
- Reducing NEET rates and improving educational performance
- Improving the skills levels of the workforce, particularly at levels 2 and 3
- Ensuring skills provision matches employer priorities and is sector specific
- Boosting the new business registration rate
- Supporting new businesses to be sustainable
- Encouraging new businesses in growth sectors such as the creative industries and other knowledge sectors

2.44 The above analysis supports those regeneration programmes that tackle economic disadvantage and inequality and the problems of the current recession in Leicester. The programmes of activity therefore need to complement key partner agencies and funding streams that are also addressing these issues. Agencies include Job Centre Plus in relation to unemployment; the Learning & Skills Council (now to be replaced by the National Apprenticeship Scheme and the Skills Funding Agency) for activities addressing skills gaps; emda and East Midlands Business in relation to Business Support activities; Local Authority Adult Learning and Education services. Other pilot programmes that could support our strategy include the Pilot Fit for Work initiative, explicitly targeted at keeping people in employment and off Incapacity Benefit.

2.45 Whilst there is a clear overlap (e.g. in respect of the Future Jobs Fund) it should be noted that other regeneration programmes such as the emda regional and sub-regional investment programmes and the ERDF Priority Axis 1 (PA1) programme are concerned with the overall health of the city economy. They focus on developing the infrastructure, boosting take up of higher level skills, supporting business innovation and growth opportunities so as to help shift the balance of the city economy towards higher value added activities. They aren't explicitly concerned with tackling economic disadvantage in the way that the WNF programme is.

2.46 The analysis in this framework will be supported by a wider study currently being undertaken through the sub regional economic assessment. That will result in an economic strategy and commissioning framework that reflects both the need to tackle economic disadvantage with the need to support the competitiveness of the city as part of the sub-regional economy.

3 STAGE 2 – PLAN – WHERE DO WE WANT TO BE

3.1 Based on the priority needs directly relating to employment, skills and enterprise as identified in Stage 1, a strategy has been developed which will support the priorities in the One Leicester vision, in particular around Investing in Skills and Enterprise. Details of the strategy to guide the WNF and ERDF programmes are outlined in this section. As noted above, the focus of these programmes is to tackle economic disadvantage and inequality.

One Leicester context

3.2 The strategy outlined in this section contributes significantly to the One Leicester Priority of Invest in Skills and Enterprise and in particular:

- **Skills for employment** – We will increase our efforts to give those who are workless the skills and support they need to find employment. We will tackle skill shortages, we will act to improve the skill levels particularly of those with low skill levels by encouraging employers to invest more in training and skills development. We will directly tackle unemployment through the Future Jobs Fund programme.
- **Business infrastructure** – we will work with investors and developers to ensure that there is an adequate supply of suitable premises for businesses at all stages of their lifecycle, particularly supporting disadvantaged areas
- **Supporting Enterprise** – we will improve the level of support to business start-ups including social enterprises. We will encourage local businesses to gain access to public sector procurement opportunities and to reduce their carbon footprint. We will complete the development of the science park and continue to work to attract hi-tech businesses into the Leicester Economy.

3.3 The strategy will also support the One Leicester Vision, in particular:-

Confident People:

- Leicester Is a caring community, people will care about the city and will get involved in making it a great place
- People will feel safe in any part of the city at any time
- There will be less crime and less fear of crime
- People will be proud to say that they live in Leicester City Council

New Prosperity

- People will be equipped with the skills they need to play the role they want in society
- There will be enough jobs to ensure that everyone who wants to will have the opportunity for meaningful work
- There will be a thriving business community attracting jobs, and investment to the city and retaining graduates from our universities
- Leicester will be influential in powering the economy of Leicestershire and the East Midlands

Working Neighbourhood Fund Programme Focus

3.4 The primary aim of the WNF is to reduce worklessness by supporting people to move from out of work benefits into sustainable employment, increasing skills and employment opportunities, and to reduce the barriers preventing individuals moving from benefits into employment. Key actions will be:-

- Creation of jobs and / or training linked to employment opportunities
- Business Growth initiatives for hard to reach areas
- Supply of workspace / business premises

3.5 The Working Neighbourhood Fund (WNF) will help to address the following National Indicator Targets in particular :-

- NI 117 - Reduction in 16-18 years olds who are not in education, employment or training
- NI 151 - Increased overall employment rate
- NI 152 - Reduction in working age people on out-of-work benefits

- NI 153 - Reduction in working age people claiming out-of-work benefits in the worst performing neighbourhoods
- NI 163 - Increase in the proportion of population aged 19-64 (males) and 19-59 (females) qualified to at least level 2 or higher (PSA 2)
- NI 172 - Increase in the percentage of small businesses in an area showing employment growth
- NI 171 - Increase in the number of new businesses created
- PSA 16 - Socially excluded adults
- NI 18 - Reducing adult re-offending rates for those under probation supervision
- NI 16 - Reducing serious acquisitive crime

Core Programme Targets

3.6 The following outputs are proposed as the core targets for the Working Neighbourhood Fund.

- 1000 jobs created in target sectors to be identified as appropriate in detailed specifications. Currently these are retail, construction, business, construction, food and drink and public sector. Emerging sectors will also be targeted to meet sub regional priorities including creative industries and technology based sectors
- 750 people retaining employment for over 13 weeks
- 500 people moved into education or training
- 1500 individual training plans developed

The above will be delivered in particular through the Multi Access Centres, supported by sector specific routeways training, pro-active employer brokerage and through the Future Jobs Fund.

- 500 people moved into education or training
- 1500 individual training plans developed
- 150 People Assisted to start a Business
- 270 Businesses Improving Performance

These targets will be supported through a combination of the WNF and ERDF programmes.

- Young people remaining in education, training or employment (target no to be confirmed)

These targets will be supported by projects targeted at groups who are NEET or at risk of NEET within and outside schools.

Outcomes

3.7 Alongside the above core targets, individual projects and the overall programme will be evaluated to determine whether

- individuals feel effectively supported to access employment opportunities
- individuals feel more able to access and stay in the labour market
- partnership working has improved at a local level
- employers feel they are receiving 'job-ready' employees
- relative disadvantage has declined between the worst performing neighbourhoods and the rest of the city
- relative disadvantage has declined between PSA16 target groups and others

Target groups

3.8 The target groups for WNF delivery are: people on incapacity benefits, JSA, lone parents, NEET, offenders, people with disabilities; Over 50's; BME Groups, Small to Medium Sized Enterprises (including social enterprises).

European Regional Development Fund Investment Programme Focus

- 3.9 The European Regional Development Fund is managed by the East Midlands Development Agency (emda). In 2008 emda agreed an indicative allocation to be set aside for activities in Leicester within Priority Axis 2 (Sustainable Economic and Enterprise Activity in Disadvantaged Communities of the East Midlands).
- 3.10 An investment plan was developed for each of the 11 districts that are able to access Priority 2 funding which needed to meet with the East Midlands Operation Programme (agreed by European Commission) and the Regional Economic Strategy.
- 3.11 This investment plan sought an indicative allocation of £7.3m between (2008-2011) for use within Leicester on four broad headings which align to the Operational Programme and guidance set for ERDF support:-
- Enterprise Support
 - Access to Finance
 - Access to Resources and Support
 - Reviving Local Infrastructure and Environments
- 3.12 As stated above, an indicative allocation has been set aside for activity in Leicester of £7.3m; however this calculation is based on the first 3 years of the 6 year programme. Therefore, a further allocation may be targeted at Leicester for the remaining programme years. This however has not yet been determined by the East Midlands Development Agency. This decision is likely to form part of a mid-term evaluation.
- 3.13 Based on 6 years of funding, it is anticipated the following outputs will be achieved. The level of achievement against these targets will indicate how successful we have been in delivering our aims for the programme:-
- 353 businesses assisted to improve performance
 - €12 310 286 public / private sector investment leveraged
 - 1813 sq metres of new or upgraded floor space
 - 258 people assisted to start a new business
 - 2 ha of brownfield land reclaimed or redeveloped
 - 592 jobs created
 - 315 businesses improving performance
 - €11,260,571 GVA resulting from businesses improving performance
 - 286 increase in employment
 - 48 increase in businesses
- 3.14 Whilst an indicative allocation is targeted at Leicester the approval and appraisal process is undertaken by EMDA. However, a partnership structure can put forward recommendations on the projects to be supported following either a call or open bidding round. Previously this was undertaken by Leicester Economic & Environmental Sustainable Delivery Group via a Business Task Group then reporting into the Working Neighbourhood Fund Programme Board. This commissioning framework makes alternative governance proposals.
- 3.15 This allocation is reported to a regional board that oversees the delivery of this programme, in order for the programme to continue to meet the European Commissions requirements, projects will need to contribute to a yearly spend target set by the European Commission to the East Midlands Development Agency. If EMDA does not meet their financial requirements this could impact on the potential allocation for Leicester and the other deprived areas. Therefore, we need to ensure there are limited delays for project development and the projects are contributing the outputs and spend each year to ensure Leicester City does not lose potential funding.

4 STAGE 3 DELIVERY – HOW DO WE GET TO WHERE WE WANT TO BE

- 4.1 Having identified through stages 1 and 2 of the framework where we are now and where we want to get to in terms of the employment, skills and enterprise agenda's within the city this sections considers how we use the available programme funds to achieve this.
- 4.2 WNF provides an allocation of £25 million and ERDF £7.3 million which can be utilised to help us to move from where we are now to where we want to be. ERDF requires matched funding and as such WNF funds can provide the leverage to draw down these funds. Furthermore additional funding opportunities can be drawn down using WNF funds such as the Future Jobs Fund. Opportunities will be kept under review to maximise the benefit and leverage of WNF funds. The available funds can also assist in achieving our wider Leicester Partnership aims relating to tackling deprivation and poverty where there are clear linkages. For instance the wider aims of increasing academic attainment and tackling crime link to reducing unemployment and providing new jobs and training. Related funds in these areas can in some cases be matched with WNF/ERDF funds to benefit shared agendas. Work between the new Priority Boards to join up strategic programmes will help deliver coordinated interventions.
- 4.3 Work that has already been carried out on the WNF programme has been developed in two phases, Phase 1 (dealing with a number of NRF transitional schemes and partnership infrastructure principally) and Phase 2 (focused on employment, skills and enterprise interventions). The ERDF programme also identified linked projects aimed at tackling worklessness and supporting business.
- 4.4 A number of projects have been agreed to date funded through the WNF and ERDF programmes and further potential new projects have also been identified for implementation through the WNF Board and task groups. In the development of these projects there have been tensions between the delivery of specific targeted employment, skills and enterprise interventions and activity that contributes indirectly to these areas but are developed through other partnership agendas e.g. crime and education. This commissioning framework has been used to review these projects to consider their fit with framework priorities and can consider projects with both direct and indirect contributions. As such we can consider whether these projects are going to help us to get to where we want to be in meeting our employment, skills and enterprise aspirations. Annex 2 comprises a detailed project appraisal matrix. Projects have been grouped into programme areas for clarity as follows:
- Multi-Access Centre's and support services
 - Projects Supporting people into employment
 - Projects support people to develop their skills base
 - Projects supporting business creation and growth
 - Infrastructure support for LAA & WNF
 - Completed NRF transitional projects
- 4.5 For each of these programme areas projects have been assessed against:
- Strategic fit with Working Neighbourhood Fund programme and European Regional Development Fund Investment Plan.
 - Whether it meets and identified priority need.
 - Soundness of proposed project methodology.
 - Benchmarked comparisons (where available).
 - Value for money.
- 4.6 Based on these assessments projects have been categorised as either Green (good fit); Amber (partial fit) and red (poor fit) for each criteria. Consequently the projects are categorised overall as follows:-

- A Project is recommended to proceed subject to contract negotiation or to continue if already under contract.
- B Project is recommended to proceed subject to further development or evaluation work.
- C Project is recommended not to proceed

- 4.7 A summary list of all projects with a recommended way forward in each programme area is attached as Annex 3.
- 4.8 The following provides a summary by programme area of the result of the project review and identifies the indicative cost envelope, commissioning position and evaluation approach. Full details are contained in Annex 2.

Multi-Access Centres

- 4.9 Eight areas have been identified for support for the creation of Multi-Access Centres across Leicester, within these areas there will be a main hub and several spoke centres such as libraries or local facilities. The areas have been identified based on need and where there are significant number of people who are unemployed.
- 4.10 Two of these centres are in place Highfields and the City Centre, with Braunstone shortly being put in place. Whilst the remaining centres are being developed and supported through capital investment secured from the Sub-Regional Funding Programme, Interim arrangements will be in place by end of October to align with the Information, Advice and Guidance being provided following the Routeways into Employment Specification.
- 4.11 A total of £8,892,700 has been set aside for infrastructure and support services around the Multi-Access Centres, of which £4,292,700 is the remaining amount currently being developed through tendering processes. These projects will contribute to National Indicators NI152 (Reduction in working age people on out-of-work benefits) and NI153 (Reduction in working age people claiming out-of-work benefits in the worst performing neighbourhoods).
- 4.12 The Multi-Access Programme will engage with unemployed people at a local level who are hardest to reach to support them through a Routeways into Employment. This will be through individual action plans, provision of information, advice and guidance, provision of course training on keys areas such as construction, retail, call centre/business, public/health etc through to job interview guarantee, secured employment and post employment support to ensure the client retains employment for at least 13 weeks.
- 4.13 All of the above activities will be captured through a client tracking database previously utilised by the City Strategy programme and that will be funded from seedcorn funding until March 2011.
- 4.14 At present all contracts have been commissioned until March 2011 as currently this is the lifetime of the funding programme. However, there is likely to be a clear need to retain some or part of these activities on a reduced scale post March 2011 and therefore it is recommended that Working Neighbourhood Fund support for this service be continued and a strategy developed for mainstreaming the activity in the medium term. Currently, costings are being calculated for this continuation.

Projects Supporting People into Employment

- 4.15 Projects have been supported or are recommended for support that have targeted those who are long-term unemployed, on JSA, lone parents, people with disabilities, on Incapacity benefit and ex-offenders.
- 4.16 The main contribution under this section relates to match funding to support the Future Jobs Fund Project seeking £3m of £5.5m being recommended for support. A full application on this

project has been put forward to the Department for Work & Pensions. This application is seeking to create 1190 jobs (810 of these being within the City of which 540 will be targeted at 18-24 year olds and 270 targeted at older long term unemployed). This project will feed into and support the work of the Multi-Access Centres.

- 4.17 In total there are 17 projects seeking or having secured contracts for delivery of the Working Neighbourhood Fund (WNF). 13 of these projects fall within Category A and are recommended for full support subject to contract negotiation, if the projects are not currently in place. Two projects fall within Category B account for £471,000, these projects are in-principle recommended for approval, subject to further development work being undertaken. Thereby leaving 2 projects not being recommended for approval, these being (Public Sector Compact; Post 19 Co-ordination), both of these are not recommended for support as it is recommended that support for these projects should come from public sector partners rather than the WNF programme if the schemes are to be sustained.
- 4.18 Subject to all projects proceeding under Category A & B, this will commit a total of £5,588,661 for projects supporting people into employment which will contribute to National Indicators NI 152 (Reduction in working age people on out-of-work benefits); NI 153 (Reduction in working age people claiming out-of-work benefits in the worst performing neighbourhoods); NI 117 (Reduction in 16-18 years olds who are not in education, employment or training)

Projects Supporting People to develop their Skills Base

- 4.19 Five projects are currently in delivery or development solely looking at addressing people skill gaps in Leicester. Four of these of these projects are recommended to proceed totaling £812,318 with a further 1 project rated as Category B for further development accounting for £28,140. This projects will indirectly or directly contribute to (NI 163 Increase in the proportion of population aged 19-64 (males) and 19-59 (females) qualified to at least level 2 or higher (PSA 2)) and NI 117 Reduction in 16-18 years olds who are not in education, employment or training.
- 4.20 It should be noted, that whilst there are only a few projects have been identified as addressing skill gaps, a number of the projects within the Support People Into Employment & the Multi-Access Centre section will also support people's skill levels. Therefore, this activity should not be seen in isolation.

Projects Supporting Business Creation and Growth

- 4.21 There are currently 15 projects seeking or having secured support for use of WNF and or ERDF funds. In total if all of these projects were supported this would create a commitment of £2,619,979 (WNF) and £4,498,570 (ERDF).
- 4.22 Following an assessment of these projects, 12 projects are recommended for full approval subject to contract negotiation, creating a commitment of £1,976,609 (WNF); £3,141,215 (ERDF), in addition a further 2 projects are recommended for approval, subject to further development, contract negotiation and recommendations as outlined in Annex 2 creating the revised proposed commitment of £2,419,609 (WNF) and £4,198,015 (ERDF). Thereby, leaving 1 project not recommended for support, "Business Centre Network" this project is not recommended to continue as the original projects has been scaled back following appraisal by EMDA in respect of duplication of provision with existing provision and Business Support Simplification Agenda. As a result of this, the project is no longer valid based on value for money due to a number of elements being removed from the original application.
- 4.23 Each of these project proposals will contribute to either National Indicator NI172: Number of small businesses in Leicester showing employment growth or NI171: No of New Business Registration Rate (VAT registered).

4.24 Furthermore, it should be noted these projects were developed following an open call in line with the ERDF Investment Programme and have been independently assessed by the appraisal process undertaken by the East Midlands Development Agency (EMDA). EMDA are the accountable body for these projects and therefore contracts are issued directly to projects from EMDA who ensure compliance.

Infrastructure Support for Local Area Agreement & WNF

4.25 This section support the infrastructure around the Local Area Agreement, in particular the support to the Leicester Partnership team; support to key thematic infrastructure such as equality and environment and support to the programme management of the Working Neighbourhood Fund Programme.

4.26 There are currently 7 projects within the infrastructure section, however it should be noted one of these projects (community engagement) has been split into 5 areas of activity. Based on the details shown in Annex 2, this gives a commitment value of £1,812,413 contracted, with a further £1,200,276 uncontracted. It is recommended that out of the uncontracted allocation £564,303 is returned to the overall WNF programme, with the remaining £615,973 left to be contracted based on the previous commitments given.

Completed NRF Transition Projects

4.27 A total of 10 projects were identified that required support by WNF following the NRF programme completion. These projects commenced from 1st April 2008 to 30th December 2008 at a value of £908,707. These projects will form part of a mid-term evaluation to the completed in April 2010.

Gaps in Programme

4.28 The programme areas outlined in 4.6 to 4.23 above will provide the main thrust of WNF/ERDF activity and are considered essential to move the city from where it is now to where it wants to be in the future. It is however clear, in light of the current recession, that this job is now considerably more difficult than when the programmes were first initiated. The interventions identified comprise a commitment of just over £21 million for WNF and £4 million ERDF leaving unallocated sums of £4.5 million and £3 million respectively. Allocation at this level is considered essential to get the interventions delivering on the ground as quickly as possible to tackle needs as soon as we can. Additional partner and Government funding sources will continue to be required over and above these programmes to tackle identified needs and priorities.

4.29 Notwithstanding the forward cost implications of extending the core project areas to 2013 as identified in para 4.37, should there be surplus WNF funds to allocate following review these should be targeted at the delivery of any gaps in the programme highlighted in the commissioning framework. Potential projects previously identified by WNF task groups for inclusion within the WNF programme can also be considered in the context of the commissioning framework should the programme Board wish to commission new activity with any surplus funds.

Project / Contract Development

4.30 All of the above projects have been developed in one of the following ways, these being:-

- Open call for proposals
- Internal
- Specification developed.

Open Call

4.31 An open call for potential project proposals was sought for projects seeking ERDF with the potential to match this with WNF funding. ERDF is not 100% funded and therefore in order for projects to be delivered match funding is required, as match funding needs to be clean funding,

the only sources of funding that project applicants could apply to is either the sub-regional funding programme, Working Neighbourhood Fund or their own funding streams.

- 4.32 Following this call a number of proposals were assessed independently by an appraisal team. Details of the current stage of these applications are outlined in Annex 2 attached.
- 4.33 At present no further call has been announced for ERDF but this could be a further call which is targeted at specific areas of activities subject to the activities not duplicating the 'solutions for business' portfolio developed by BERR. This decision will be taken to the new governance arrangements for WNF/ERDF/City Strategy to ensure these activities meet with the above strategies and needs of Leicester.

Internal

- 4.34 As part of the development of the WNF programme, if projects proposals are currently undertaken by Leicester City Council, internal agreements will be put in place and these projects will comply with Leicester City Council procedures. In addition, projects that are seeking approval for capital expenditure above £250k will be presented to cabinet before funding is approved.
- 4.35 At present the following projects are looking to commit over £250k capital expenditure, some have already been presented to the relevant cabinet or structures, whilst others are seeking full endorsement:-
- Science Park – presented to Cabinet 3rd August 2009
 - Greenacres – undertaken through Urgent Action for acquisition of property
 - Leicester Business Centre Phase IV – Cabinet approval required for the final phase of this premises which will support small and medium businesses with the provision of incubation and managed workspaces within the Belgrave Ward. The centre was originally adopted as a training centre around the textile industry and following previous agreed developments by cabinet, this has changed the premises to a utilized facility for people looking to start up and for small businesses wishing to trade. This final stage will see the remaining element of the premises being reused for business space for SME's (Small to Medium Sized Enterprises) along with good meeting and reception space. This will also create a more user-friendly frontage for occupants and visitors to the centre as this is currently confusing with a number of entrance points.
 - The Leicester Shop front improvement project is currently under revision due to the eligible of retail usage being disallowed by ERDF. Following the revision of this project, a future Cabinet paper will be presented.

Tender / Procurement Process

- 4.36 This involves the development of a specification which is assessed and developed based on need and demand against the evidence shown in the analysis section of this document. These specifications are developed in line with the Working Neighbourhood Fund and European Regional Development Fund strategies.
- 4.37 Once a specification has been developed and checked by the commissioning team, this will follow relevant procurement rules as advised by the commissioning team.
- 4.38 If this is subject to open competition, tenders will be independently assessed by an appraisal panel and the successful applicant or applicants will be awarded the contract.
- 4.39 If a contract falls below the EU threshold, Leicester City Council procurement rules will apply such as quotations, small – medium contracts etc
- 4.40 Notwithstanding the forward cost implications of extending the core project areas to 2013 should there be surplus WNF funds to allocate following review these should be targeted at the delivery

of any gaps in the programme highlighted in the commissioning framework. Potential projects previously identified by WNF task groups for inclusion within the WNF programme can also be considered in the context of the commissioning framework should the programme Board wish to commission new activity with any surplus funds.

5 STAGE 4 – REVIEW – HOW DO WE KNOW IF WE ARE SUCCESSFUL

5.1 Section 3 of this framework outlines where we want the City to be in terms of employment, skills and enterprise and outlines specific core targets for both WNF and ERDF programmes. It also offers a framework for evaluating success in terms of priority outcomes. The outcome measures are based on the opinions of those we are seeking to assist, the perceptions of stakeholders who will be involved in project and programme delivery and high level measures that will illustrate whether we have been successful in tackling the entrenched concentrations of worklessness in the city both geographically and with regard to target groups.

Contract monitoring

5.2 All projects whether developed through an open call, as an urgent proposal or via a tender process will be issued a contract which will include a specification of project activity, outputs, outcomes, payment schedule etc. Monitoring officers in the commissioning team will monitor outputs, spend and contractual conditions to ensure the project is performing against expectation. Furthermore, a commissioning officer who has overseen the development of the specification will undertake 6 monthly reviews with the project to ensure progress is maintained. However, if either through the monitoring officer or commissioning officer the project is not achieving the required targets / outcomes these will be reported to the Board for review.

5.3 Regular programme and sub programme reports will be presented to the Programme Board showing performance against financial spend, output targets and key milestones. Programme reporting templates will be based on the City Council corporate performance management processes. Regular programme and sub programme reports and by exception individual project reports, will also be reported to the LCC Enterprise and Skills Programme Board. This process is already in place.

De-Commissioning

5.4 Evaluations on projects may recommend that projects are either not meeting the objectives of the contract or the objectives are no longer required. As a result the projects may not be continued. This would be considered in line with any relevant contractual commitments. At present all projects where contracted require a 3 month notice period.

5.5 In line with corporate work currently under way, a de-commissioning strategy will developed for these programmes, to be approved by the new Programme Board. This would provide a framework for de-commissioning including such considerations as impact on recipient body and financial and social risks.

Programme Risk Management and Exit Strategies

5.12 At the programme level the key risk will be any potential reduction in WNF or related funding. At present there is no indication that there are likely to be funding cuts in the WNF and ERDF allocations that have been made as part of the present 3 year settlement. This will need to be kept under close review by the programme board in terms of potential impacts on the programme. Government funds for WNF type activity could be significantly reduced from 2011 after the current funding settlement. As such the continuation of activity beyond that proposed to be funded by the current programme (including extension of core activity to 2013) will be subject to review. To this extent exit strategies will need to be prepared for all relevant projects considering options for reduction and cessation of the projects and any opportunity to fund activity from alternative sources including potential mainstreaming.

6. STAGE 5 – GOVERNANCE STRUCTURE

- 6.1 To manage the programmes effectively we need a governance structure that works for the Partnership both at the City and Sub regional levels. A new Economic Regeneration Programme Board will be established to replace existing WNF/ERDF structures. This would lead the commissioning of any new project activity in line with the commissioning framework and performance manage the project portfolio within the employment, skills and enterprise programmes targeted at the City of Leicester. It would work within the context established through the economic assessment and strategy and relevant commissioning frameworks developed at the sub regional level. It would support and report to the Enterprise and Skills Priority Board on programme development, delivery and performance management information and submit any gateway approvals required at the Priority Board level. The Cabinet cluster for this Board will be regularly updated on progress with the programme. Progress reports every 6 months will be provided to Cabinet and the Leicester Partnership. Reports will also be submitted to the sub regional economic development structures as required.

Membership

- 6.3 The main board should incorporate key partners with a stake in the employment, skills and enterprise agendas set out in this framework. To ensure wider participation and decision making on any commissioning and programme management activity, representatives will attend the Board from the Leicester Partnership who can provide both direct input to the employment, skills and enterprise delivery programme and make links with other related partnership activity. The proposed make-up of the Board will initially be:-

- Director of Planning & Economic Development (Chair)
- Cabinet Lead for Regeneration & Planning
- Head of Service, Economic Regeneration
- Job Centre Plus representative
- Learning & Skills Council representative (this will be revised once the Skills Funds Agency and National Apprenticeship Service has been established)
- Special Projects Manager, Leicester Partnership
- Wider Leicester Partnership representation to be sought
- Connexions representative
- Business Link representative
- East Midlands Business representative
- Voluntary / Community Sector representative
- Business Sector representative

Support for the Board

- 6.4 Officers reporting to the board will include leads on MACs, programme support staff from the Economic Regeneration group, officers from the commissioning team and a finance officer. Presently a number of Partnership Theme leads attend the WNF Board. Given the stage the programme is currently at in terms of allocation of resources and the adjustment of the group to assume a wider remit, only those leads identified above will be Board members. The Leicester Partnership Lead Officers Group will however play a key role in providing a link between the programme and wider partnership interests. The Head of Economic Regeneration will attend these meetings to report on the programme.

Sub-Groups

- 6.5 As part of the board structure it is proposed sub-groups are established as and when required.

Authority

6.6 The City Council's Chief Executive is responsible for the Area Based Grant in totality. The Strategic Director is responsible for the performance of the Enterprise and Skills Priority Board and the allocation of budget to individual projects, tasks or workstreams. The Director of Planning and Economic Development is responsible for managing delegated budgets. The Economic Regeneration Board will have authority to agree project proposals / specifications for inclusion in the relevant regeneration programmes. The make up of the Board will ensure wider Partnership buy in. Proposals would be submitted as required for 'gateway' sign off by the Strategic Director Development Regeneration and Culture, with reference to Cabinet Lead, and with reporting through the Investing in Skills and Enterprise Priority Board.

Key Decision	Yes
Reason	Is significant in terms of its effect on communities living or working in an area comprising more than one ward
Appeared in Forward Plan	Yes
Executive or Council Decision	Executive (Cabinet)

SUMMARY OF PROJECT RECOMMENDATIONS AND EVALUATION DATES

The following tables summarise the projects being recommended under each category, the lead organisation and when an evaluation will be undertaken for each project proposal.

Table 1: Category A – Projects recommended for Continuation or Approval. It should be noted for those projects not in contract further contract negotiation will be required with the applicants before contracts are finalised.

Project Name	Lead Organisation	Evaluation Date
Braunstone, Highfields, City Centre & Central Support MAC Teams	Leicester City Council	December 2010
New Parks, St Matthews, Beaumont Leys, Saffron / Eyres Monsell, NE Leicester MAC Teams	Leicester City Council	December 2010
Co-ordination of Routeway Courses	To be Appointed	December 2010
Employer Brokerage Service	To be Appointed	December 2010
Routeways into Employment Service	To be Appointed	December 2010
Routeway Courses	To be Appointed	December 2010
Core Support for MAC Team	Leicester City Council	December 2010
IAG / Pre-employment & Post Employment Support	Apex / BCA / B 2 B / BYCS / Connexions / Next Step / PYCA / SMCS	April 2010
Future Jobs Fund	Leicester City Council	December 2010
IAG services targeted at groups at risk of NEET	Connexions	April 2010
Refugees into Employment	Rainer Crime Concern	April 2010
Volunteering into Employment	DMU Student Union	April 2010
Independent Domestic Violence Advisor (IDVA) for worklessness	Leicester Domestic Violence Partnership	April 2010
Employment Opportunities for people with disabilities	Shaw Trust	Autumn 2009
Lone Parent & Childcare	Connexions	Autumn 2009
Employment & Skills Development Officer Homeless Services	Leicester City Council	December 2010
Employer Engagement Project	Leicestershire & Rutland Probation Service	April 2010
Learning Café	Leicestershire & Rutland Probation Service	April 2010
Set Square (original project)	Leicestershire & Rutland Probation Service	Autumn 2009
Training & Qualification for offenders to reach job market	Youth Offending Service	April 2010
Greenacres	Leicester City Council	End of Projects lifetime
Skills for Life Consortium Project	LLL Skills for Life Consortium	Previously undertaken

Literacy at KS3 & Interview Skills for students	Leicestershire Cares	End of Projects lifetime
Key Stage 3-4 NEET (Support within schools)	Lighthouse Learning	April 2010
Key Stage 3-4 NEET (Support out of school)	Contact Project	April 2010
The Social Enterprise Way	Case-Da	April 2010
Leicester Business Women	Skills for Enterprise	April 2010
Business Den	Apex Leicester	April 2010
Money for Change	Leicestershire Moneyline	April 2010
Entrepreneurial New Parks	Hand in Hand Tenants & Residents Association	April 2010
Enterprise is Life	B-Inspired	April 2010
Leicester Business Centre – Phase 4	Leicester City Council	April 2010
Supply Leicester	Leicester City Council	April 2010
Creative Enterprise Hub	Leicester City Council	April 2010
Science Park	Leicester City Council	April 2010
Phoenix Studios Phase 2	LSEC Consortium	End of Project Lifetime
Leicester Science Park Landscape Link	Prospect Leicestershire	End of Project Lifetime
Leicester Partnership Partner Contribution	Leicester City Council	April 2010
Community Engagement	Leicester City Council	April 2010
“	VAL	April 2010
“	TREC, Help the Aged, LCIL, Lesbian, Gay & Bisexual, Council of Faiths, Children & Young People, LeicesterHerDay	April 2010
Climate Change	Leicester City Council	Autumn 2009
Equality & Diversity Support	LCIL	Autumn 2009
Generic Volunteering / Infrastructure	VAL	April 2010
WNF Programme Management	Leicester City Council	December 2010
Workshop on Strategic Commissioning	Leicester City Council	April 2010

Table 2: Category B – Projects recommended for approval subject to further development work

Project Name	Lead Organisation	Evaluation Date
Jobs Fund Programme	Leicester City Council	To be determined
Set Square	To be determined	To be determined
Skills for Life Consortium Project continuation	LLLP Skills for Life Consortium	To be determined
Shop Front Improvement Project	Leicester City Council	To be determined
Cleantech Renewables	Leicester City Council	To be determined

Table 3: Category C – Projects not recommended for approval

Project Name	Lead Organisation	Evaluation Date
Public Sector Compact	Leicester & Leicestershire Learning Partnership	n/a
Post 19 Co-ordination	Leicester & Leicestershire Learning Partnership	n/a
Business Centre Network	Leicester City Council	n/a

Web Editor	Leicester City Council	n/a
Community Engagement	Leicester City Council	n/a

Equality Impact Assessment

Name of service, proposal, policy or plan

WORKING NEIGHBOURHOOD FUND AND EUROPEAN REGIONAL DEVELOPMENT FUND PROGRAMME COMMISSIONING FRAMEWORK

Date of assessment:

Start date	Completion date
01 - 08 - 2009	30 -09 -2009

Lead officer and Contact details

Joanne Ives, ext 6524

List of other(s) involved

Regeneration officers, Head of Service and Director

Question:**1. What is the scope of the service/proposal/policy/plan? What are you going to assess?**

The scope will outline the commissioning framework in line with the regeneration funding programmes in existence (WNF, ERDF, ESF)

a. What are its aims and objectives?

To ensure specifications and projects developed are in accordance with overarching Equality Impact Assessment for the Commissioning Framework Document.

Question:**2. Who are your customers? Think about the diversity of your customer base.**

Target Group: Male population for JSA; Lone parents; Carers; Incapacity Benefits; Disabled; NEET, Claimants who are economically inactive; ex-offenders and offenders and people from specific identified ethnic target groups. Specific age groups (over 50s); long-term unemployed; Small to Medium Sized Businesses

Voluntary / Community Organisation, private sector organizations, public sector organisations and external and internal providers of the service(s).

Question:

3	What monitoring data do you have about specific groups/communities please detail this below. If you do not have any data provide a description based on your existing knowledge and state what data you aim to collect in the future to inform and improve your service, proposal, policy or plan.
Collection of data in relation to client groups, ethnicity, age, gender etc will be recorded onto the City Strategy Database. This is of particular need to support the client through each stage of development required for that individual.	
a.	What does the monitoring data tell you.
The monitoring will help to determine, i.e. needs for the client, potential additional support for a group of people, if we are securing the number for a particular group and if so what barriers are they facing to engage with the project (s).	
b.	What consultation/involvement data do you have, please detail this below. If you do not have any of the above state how you are going to consult /involve in the future to inform and improve your services (put in your action plan)
Consultation has been varied and based on work previously undertaken with City Strategy and the providers. Further consultation will be gathered through the evaluation reports to be undertaken which will inform future commissioning or decommissioning.	
c.	What does the consultation data tell you, about specific groups?
Helps to indentify key specific needs for areas or targets groups.	
Prompt:	<p>Monitoring: look at the equality streams, analyse the data, what does this tell you, are there any unequal outcomes, are there any issues/themes/barriers or adverse impacts?</p> <p>Consultation/Involvement: think about all the different equality groups in terms of staff, customers, stakeholders, etc. Ensure you meet the statutory duty to involve, analyse the outcomes of your consultation/ involvement, what does this tell you, are there any particular issues/themes/barriers being identified?</p> <p>Equality monitoring Guidance is available.</p>

Question:

4.	Are there any positive impacts/outcomes for any customers or other groups arising from the service/proposal/policy/plan? Please detail
The specifications developed will help people to move from where they are to becoming job ready, providing support and confidence building, support to move into employment and retain that employment for a sustained period of time. Furthermore, other specifications will help people to start up in business. Key outputs are detailed within the Commissioning Framework document.	
Prompt:	What conclusion have you reached from the monitoring and

	consultation/involvement data?
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Question:

5.	Are there any adverse impacts/unequal outcomes for any customers or other groups arising from the service/proposal/policy/plan? Please detail
At present none has been determined, however some may arise following the introduction of a de-commissioning strategy and the evaluations to be undertaken as part of the Commissioning Framework.	
Prompt:	What conclusion have you reached from the monitoring and consultation/involvement data?

Question:

6.	If there are any adverse impacts/unequal outcomes identified, how will they be mitigated/ addressed? (Action plan). Think about alternative ways of delivering the service, or alternative sources. Also think about actions/measures and targets that you would need to develop to reduce the impact/unequal outcomes.
Action Plan is to be completed and updated following outcomes of the evaluations to be undertaken.	
Prompts:	Action plan to be SMART. To include <ul style="list-style-type: none"> • Desired outcomes • Actions required to address barriers/unequal outcomes • Measures and targets to assess the progress Lead officers to be clearly identified, with set timescales.