

WANDSWORTH BOROUGH COUNCIL

REGENERATION AND COMMUNITY SAFETY OVERVIEW AND SCRUTINY
COMMITTEE – 7TH JANUARY 2009

EXECUTIVE – 19TH JANUARY 2009

Report by the Economic Development Officer on the appointment of a partner to deliver the employment support service for young unemployed black males of Caribbean heritage

SUMMARY

Background. The Executive authorised (Paper No. 07-966) on 12th November 2007 the Economic Development Officer (EDO) to invite strategic partners to contribute funds to such a project and to invite expressions of interests from appropriate organisations to enter into a partnership to provide a specialist outreach and job brokerage recruitment service. The proposed partnership would also prepare bids for funds to help the Borough's young black men of Caribbean heritage to get jobs. The Executive also approved, in principle, the provision of some core funding (up to £50,000 per annum for three years) towards this project, subject to other external funds being secured. On 15th September 2008, the Executive noted (Paper No. 08-651) the progress made in securing funds and authorised the EDO to invite five organisations to submit full tenders for delivery of the service.

Policy. One of the Council's and Local Strategic Partnership's key priorities is to address worklessness in the Borough and, in particular, to provide support into sustainable employment for young black men of Caribbean heritage.

Issues/Proposals. This report provides details of the two tenders that were received from Talent and South Thames College. The assessment of the tenders received indicate that the most economically advantageous tender was received from Talent. Therefore, the report recommends that Talent be appointed. London Councils have allocated £100,000 European Social Fund (ESF) funds towards this project and also invited bids to deliver this project over the period from 1st April 2009 to 31st March 2011. Bids have been received, including one from Talent. London Councils agreed that Talent should be appointed to deliver this project.

Director of Finance Comments. This project would require a positive budget variation of £50,000 in 2009/10 and 2010/11 equivalent to £0.41p in Band D Council Tax.

Supporting information. N/A

Conclusion. The Executive is asked to authorise the EDO to appoint Talent

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as the partner to work with the Council to secure further external funds and to deliver the employment support service for young unemployed black males of Caribbean heritage on behalf of the Council for a period of two years.

GLOSSARY

A4E – Action for Employment
BME - Black and Minority Ethnic
EDO – Economic Development Officer
EOI – Expression of Interest
ESF – European Social Fund
JCP – Jobcentre Plus
LEP - Local Employer Partnership
LSC – Learning and Skills Council
STC – South Thames College
WLSP – Wandsworth Local Strategic Partnership

RECOMMENDATIONS

1. The Regeneration and Community Safety Overview and Scrutiny Committee are recommended to support the recommendations in paragraph 3.
2. If the Overview and Scrutiny Committee approve any views, comments or recommendations on the report, these will be submitted to the Executive for its consideration.
3. The Executive is recommended to:-
 - (a) authorise the Economic Development Officer, in consultation with the Borough Solicitor, to enter into a contract with Talent to deliver the employment support service for young unemployed black males of Caribbean heritage on behalf of the Council for a period of two years from 1st April 2009, as described in this paper and as required, subject to the London Councils' funding being confirmed; and
 - (b) approve a budget variation of £50,000 in 2009/10 and 2010/11 equivalent to £0.41p in Band D Council Tax.

INTRODUCTION

4. In 2005, the Wandsworth Local Strategic Partnership (WLSP) set up the black and minority ethnic [BME] Attainment and Employment Scoping Group. It was set up because Wandsworth was 13th in terms of unemployment rates amongst young men overall but the 6th highest in London for young men of Caribbean heritage. Following further detailed research, in November 2007, the Executive authorised [Paper No. 07-966] the Economic Development Officer [EDO] to invite strategic partners to contribute funds to a project which provides support into sustainable employment for young black men of

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Caribbean heritage and to invite expressions of interests from appropriate organisations to form a partnership to provide the proposed specialist outreach and job brokerage recruitment service. The proposed partnership would also prepare bids for funds to support this new service. The Executive also approved, in principle, the provision of some core funding [up to £50,000 per annum for three years] towards this project, subject amongst other things, to matched funds from other partners being secured.

SERVICE SPECIFICATION

5. The service specification comprises the following main elements:-
 - (a) working with the Council, the members of the WLSP to firm up the service specification, volumes and costs;
 - (b) engaging in outreach activities to ensure sufficient referrals to the programme [including marketing materials, incentives and events];
 - (c) providing one to one information, advice and guidance sessions, including staff and on-costs and time spent in liaison with other support agencies;
 - (d) training and 'soft' skills development to prepare the clients for employment and ensure they are fit for work;
 - (e) engaging with local employers to secure local job opportunities;
 - (f) brokering and placing unemployed young black men of Caribbean heritage into jobs with employers;
 - (g) providing support and after care for both an employee placed into work and to the employer;
 - (h) offering discretionary grants for clothes for interview and work, travel expenses, lunches, etc.; and
 - (i) providing overall programme management support including administration, finance and monitoring, I.T. equipment, claims, etc.

6. Advertisements were placed in New Start magazine and the Wandsworth Borough News inviting any appropriate organisation to express an interest (EOI) in participating in this project. Those who responded were asked to complete a questionnaire which asked organisations to demonstrate their experience and expertise in winning external funds, engagement and outreach, job brokerage and employment support. Requests for an information pack were received from 20 organisations. Eight of the 20 organisations submitted EOI. These EOIs were assessed and the Executive agreed [Paper No.08-651] on 15th September 2008 to invite five organisations to tender, subject to satisfactory financial references. The five were:-
 - (a) Action 4 Employment [A4E];
 - (b) Skills Training UK Ltd.;
 - (c) South Thames College [STC]/R. W. Rechere/Crown Weston Associates;
 - (d) Talent; and
 - (e) Working Links.

TENDERS RECEIVED

7. Of the five short-listed, one was not invited to submit a full bid because they did not provide sufficient financial information. Four organisations were invited to tender. Only two bids were received: one from Talent and the other from South Thames College [STC], in partnership with R. W. Rechere and Associates and Crown Western Associates. An assessment, comparing both tenders, is provided in the table below.

	TALENT	STC
Unit prices	The total cost per client outreached and sustained in a job at 26 weeks, with the support of a candidate consultant, [including the candidate testing and video information service] and post employment support is £2,740.	The total cost per 'learner' outreached and sustained in a job at 26 weeks, with the support of an employability support officer and post employment support [by an in work support worker] is £2,745.
Job brokerage	Talent have established a model that works well. Out of 9,989 candidates registered in 2007, 4,044 were placed into employment and 2,588 [64%] sustained their jobs for 13 weeks. This is a high job retention rate and has been achieved with a diverse range of employers. 72% of candidates are from BME, 53% are men and 46% are aged 18-24 year olds.	No details of numbers recruited, placed or retained were provided. No examples of employers were given. However, STC have their own database of employers who they have placed 'learners' with. They propose to source vacancies from other agencies, and their newly formed Local Employer Partnership [LEP]. An Employability Support Officer will be appointed for the LEP. An In Work Support Officer will also be appointed to recruit, place and support candidates in work.
Winning external funding	Talent have won 50% of the bids they submit. In 2007, they won £5.2m from a diverse range of sources, including H.M Treasury.	STC win 30% of the bids they submit. In 2006, they won £2m, primarily from the Learning and Skills Council (LSC).
Outreach	Talent provided details of their methods such as electronic outreach, estate based and faith based voluntary and community outreach. Their proposed marketing methods were up beat, and designed to	STC provided a limited explanation of how and where they would carry out outreach activities. Their bid makes reference to "the learner" which tends to suggest they would be targeting their usual

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	'engage' the target group.	client base rather than the clients this specification is trying to reach who will tend not to be engaged with mainstream training provision.
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8. Talent's tender is stronger on all criteria. Their model is well established and works effectively, as demonstrated by their high retention rates, diverse employer base and expertise in job brokerage, as well as their ability to secure significant external funds and deliver similar projects successfully. Therefore, it is recommended that the Council selects Talent as the proposed partner to deliver the employment support service for young unemployed black males of Caribbean heritage. Moreover, the unit cost for delivering this project is lower than that submitted by STC. Therefore, the most economically advantageous tender was submitted by Talent.
9. Bids were not received from A4E and Working Links because both organisations were preparing large tenders to deliver Flexible New Deal for Jobcentre Plus (JCP) which, unlike this Young Black Male Unemployed project, did have allocated funds already identified to deliver these services.

EXTERNAL FUNDS

10. The Council is able to access £100,000 European Social Fund (ESF) funding to help 106 people over the period from 1st April 2009 to 31st March 2011, as part of the London Councils' ESF latest funding round. This project is designed to work with young black men (aged 19-25) of Caribbean heritage who are not in contact with or receive support from the Connexions Service because they are over 19 years of age or because they are free from disability and do not have special needs and who are looking to find sustainable employment. These clients should also not be receiving support or be registered on any other ESF funded JCP, LSC, London Development Agency or other London Councils' co-financed programme. The contractor is required to provide detached outreach work [e.g. within community based settings such as housing estates] to engage with clients; help clients with their job search [through assistance and support with job preparation where necessary, advocacy on behalf of clients]; and job brokerage work with employers who have suitable and appropriate paid job vacancies to fill. Bids have been received, including one from Talent. London Councils agreed that Talent should be appointed to deliver this project. In order to draw down the £100,000 of ESF, the Council needs to confirm that it will allocate the equivalent amount in match funds of £50,000 for the next two financial years. This would be met from the in principle commitment of £50,000 per annum which the Executive agreed [Paper No. 07-966] in November 2007 towards this project. If approved, this would make available £200,000 over two years to deliver this project.
11. The Leader of the Council has also written to the Mayor of London asking him to give priority to this project as part of his new efforts to help London's young people. A reply is awaited.

NEXT STEPS

12. If this report is approved, the Council's solicitors would prepare the appropriate contract documentation. It is envisaged that the successful partner would then start developing links, establishing relationships and confirming funding opportunities from January – March 2009 and operational delivery would begin on 1st April 2009 and finish on 31st March 2011.

DIRECTOR OF FINANCE COMMENTS

13. The Council is able to access £100,000 European Social Fund grant towards the cost of this project from 1st April 2009 until 31st March 2011 but need contribute match funds of £50,000 for each year. This was agreed by the Executive in principle in Paper No.07-666. The Executive is asked to approve a revenue budget variation of £50,000 in 2009/10 and 2010/11, equivalent to an increase of £0.41p in Band D council Tax.

CONCLUSION

14. The recommended partner brings the key ingredients for success to win external funds and deliver a project to address the issue of securing sustainable jobs for young men of Caribbean heritage.

The Town Hall,
Wandsworth,
SW18 2PU

MIKE BROOK
Economic Development Officer

23rd December 2008

Background Papers

The following background papers were used in the preparation of this report:-

1. Bids received from Talent and South Thames College organisations.
Available from Brian Albuquerque, tel. 020 8871 6203, email
balbuquerque@wandsworth.gov.uk.

All reports to Overview and Scrutiny Committees, regulatory and other committees, the Executive and the full Council can be viewed on the Council's website (www.wandsworth.gov.uk/moderngov) unless the report was published before May 2001, in which case the Committee Secretary, Mr. M. Newton (020 8871 6006); email: mnewton@wandsworth.gov.uk can supply it if required.